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**U.S. MILITARY NATION-BUILDING IN PERU
A QUESTION OF NATIONAL INTERESTS**

A thesis presented to the Faculty of the U.S. Army Command and General Staff
College in partial fulfillment of the requirements for the degree

MASTER OF MILITARY ART AND SCIENCE

by

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B.S., United States Military Academy, 1975
M.E., University of California - Berkeley, 1984**

**Fort Leavenworth, Kansas
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This study examines the advisability of U.S. military nation-building exercises (MNBEs) in Peru, specifically active component engineer deployment for training (DFT) and reserve component "Fuerzas Caminos" (FC) exercises. It examines advisability by looking at how a U.S. MNBE affects the national interests of both the U.S. and Peru (Is it desirable?). It also looks at the risks involved in conducting a U.S. MNBE in Peru (Is it feasible?).

The study initially establishes U.S. "traditional interests" by tracing the history of the relations between the U.S. and Latin America from the 1800s to the present, and between the U.S. and Peru from 1945 to 1985. The paper goes on to determine "contemporary interests" in U.S.-Peruvian relations by examining the issues that dominate the interaction between the two nations, today. The study concludes that the U.S. interests/objectives in Peru are: to foster regional stability by supporting democracy, to reduce the flow of cocaine, and to reduce Soviet influence. The study also determines that these interests are important but not vital to U.S. survival.

The paper examines potential benefits and risks. The paper concludes that U.S. MNBEs are "desirable" because they may promote national interests in such ways as assisting in Peru's economic development, helping the counterinsurgency and counter-narcotics effort, and bettering the life in rural Peru. Risks such as the possibility of insurgent attacks against U.S. troops, competition with the private sector, and increased "perceived relative deprivation" are examined. The paper concludes that U.S. MNBEs are feasible because such risks can be mitigated through judicious planning, the use of a multi-year program, and an integrated Country Team approach.

In the sense that they are "desirable and feasible," the paper deems U.S. MNBEs in Peru advisable—as ways for the Country Team to foster U.S. ends in Peru.

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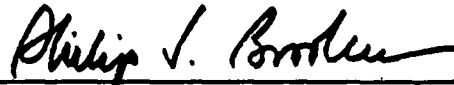


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The opinion and conclusions expressed herein are those of the student author and do not necessarily represent the views of the U.S. Army Command and General Staff college or any other governmental agency. (References to this study should include the foregoing statement.)

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ABSTRACT

U.S. MILITARY NATION-BUILDING IN PERU: A QUESTION OF NATIONAL INTERESTS, by Major Leonardo V. Flor, USA, 138 pages.

This study examines the advisability of U.S. military nation-building exercises (MNBEs) in Peru, specifically active component engineer deployment for training (DFT) and reserve component "Fuerzas Caminos" (FC) exercises. It examines advisability by looking at how a U.S. MNBE affects the national interests of both the U.S. and Peru (Is it desirable?). It also looks at the risks involved in conducting a U.S. MNBE in Peru (Is it feasible?).

The study initially establishes U.S. "traditional interests" by tracing the history of the relations between the U.S. and Latin America from the 1800s to the present, and between the U.S. and Peru from 1945 to 1985. The paper goes on to determine "contemporary interests" in U.S.-Peruvian relations by examining the issues that dominate the interaction between the two nations, today. The study concludes that the U.S. interests/objectives in Peru are: to foster regional stability by supporting democracy, to curtail cocaine trafficking, and to reduce Soviet influence. The study also determines that these interests are important but not vital to U.S. survival.

The paper examines potential benefits and risks. It concludes that U.S. MNBEs are "desirable" because they may promote national interests in such ways as assisting in Peru's economic development, helping the counterinsurgency and counter-narcotics effort, and bettering the life in rural Peru. Risks such as the possibility of insurgent attacks against U.S. troops, competition with the private sector, and increased "perceived relative deprivation" are examined. The paper concludes that U.S. MNBEs are feasible because the risks involved can be mitigated through judicious planning, the use of a multi-year program, and an integrated Country Team approach.

In the sense that they are "desirable and feasible," the paper deems U.S. MNBEs in Peru advisable—as ways for the Country Team to foster U.S. ends in Peru.

TABLE OF CONTENTS

TITLE PAGE	
APPROVAL PAGE.....	ii
ABSTRACT.....	iii
TABLE OF CONTENTS.....	iv
LIST OF TABLES.....	vi
LIST OF FIGURES.....	vii
CHAPTER 1: INTRODUCTION.....	1
Section 1. Defining the Problem.....	1
• U.S. Military Nation-Building in Latin America	
• Why Peru	
Section 2. Thesis Structure.....	4
• Primary Question	
• Scope	
• Assumptions	
• Limitations and Delimitations	
• Research Methodology	
CHAPTER 2: U.S.-LATIN AMERICAN RELATIONS.....	10
• The Monroe Doctrine	
• The Roosevelt Corollary and U.S. Hegemony over the Caribbean	
• Good Neighbor Policy	
• Pan American Solidarity and the Cold War	
• The Alliance For Progress	
• Post-Alliance Relations	
• Carter's No-Label Approach	
• Return to the "Big Stick"	
• Summary	

CHAPTER 3: TRADITIONAL NATIONAL INTERESTS.....	37
• U.S. and Peru in the 1950s and 1960s	
• The Revolution from Above	
• Return to Constitutional Democracy	
• APRA, The First Three Years	
• Summary	
CHAPTER 4: CONTEMPORARY NATIONAL INTERESTS.....	54
• Declared U.S. Interests	
• Declared Peruvian Interests	
• National Interests and Contemporary Issues	
• Summary	
CHAPTER 5: THE ADVISABILITY OF A U.S. MNBE IN PERU	76
• From Civic Action to Military Nation-Building	
• Civic Action in Peru	
• Desirability	
• Feasibility	
• Summary	
CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS.....	97
• Training Value	
• Safety and Security	
• Conclusions	
• Recommendations	
Appendix A : Literature Review.....	105
Appendix B : Questionnaire Analysis.....	109
Annex A : Facsimile of Questionnaire.....	115
Appendix C : Glossary.....	121
Bibliography.....	126
Initial Distribution List.....	138

LIST OF TABLES

TABLE 1:	AID Sponsored Projects in Peru.....	57
TABLE 2:	IMET Projects in Peru.....	60
TABLE 3:	Descriptive Statistical Analysis of Part II Response.....	111
TABLE 4:	Descriptive Statistical Analysis of Part III Response.....	112

LIST OF FIGURES

FIGURE 1:	Map of Latin America	viii
FIGURE 2:	Map of Peru.....	ix
FIGURE 3:	Control of GDP by Sector, in %.....	43
FIGURE 4:	Summary of Requests for Foreign Assistance to Peru, FY89.....	56
FIGURE 5:	Amount of Arms Supplied to Peru, 1982-86.....	59
FIGURE 6:	U.S. Assistance, Selected Regions and Countries.....	70
FIGURE 7:	Current Peruvian Army Road Construction and Rural Colonization Projects.....	82

Scale 1:50,000,000

0 1000 Kilometers 1000 Miles

Adapted Equal Area Projection

Political Islands (also referred to as U.S. claimed by Argentina)

South Georgia (Falkland Islands)

CHAPTER 1

INTRODUCTION

SECTION 1. Defining the Problem

U.S. Military Nation-Building in Latin America

The United States interest in Latin America is to have a peaceful and secure southern flank¹. Under the Reagan Administration, this security interest boils down to the pursuit of four goals. As expressed by the former Secretary of Defense, Frank C. Carlucci, these goals are "...to improve the defensive capabilities...foster economic development, support dialogue and negotiations, and promote democracy and freedom throughout the region." Mr. Carlucci further adds that the U.S. "...must support South American efforts to combat low-intensity conflict, including communist-supported insurgencies, drug trafficking, and terrorism."²

A significant way the U.S. pursues these goals is to employ U.S. military engineer units to perform national development tasks in Latin American nations. These tasks vary in size and immediate purpose. One or more engineers may form a mobile training team (MTT) to help engineers of the Host Nation. Engineer squads or platoons may deploy, as part of tactical joint and combined training (JCS) exercises, to perform civic action tasks incidental to the exercise.

¹Lars Schoultz, National Security and United States Policy Toward Latin America (Princeton, N.J.: Princeton University Press, 1987), pp. 34-39.

²Frank C. Carlucci, Annual Report to the Congress (Washington D.C.: U.S. Government Printing Office, 18Feb1988), pp. 78-79.

An engineer company may deploy for training (DFT) specifically to perform construction tasks. Several Reserve and National Guard engineer battalions may be utilized in a series of two-week active duty for training (ADT) exercises, to construct several kilometers of road over an extended period of time.³ Whatever the size or the scope, the U.S. military engineers are deployed to assist in "strengthening local government infrastructure and accelerating national economic growth."⁴ The common purpose is to enhance the U.S. interest of a peaceful and secure southern flank by "provide[ing] a security shield and stability to the region to allow the fledgling democracies in the region to grow; ...develop[ing] regional self-sufficiency and a coalition for the future."⁵

Why Peru

Since 1984, the U.S. has concentrated its significant nation-building effort in Central America. For Fiscal Year (FY) 1987, however, Ecuador and Bolivia were hosts to a FC and a DFT exercise, respectively.⁶

As the United States seeks countries outside of Central America to host nation-building exercises (either FC or ADT), Peru should be a leading candidate. It is one of the most underdeveloped South American countries. It has a significant insurgency problem that threatens its democratically elected government. Its isolated mountain and jungle regions are the source of most of the coca leaves that are eventually processed as cocaine in Colombia. Lastly, Peru is an active U.S. partner in the fight against drugs.⁷

³This last example is officially named *Fuertes Caminos* exercises. Spanish for "Strong Roads", *Fuertes Caminos* exercises were previously known as *Blazing Trails* exercises.

⁴Carlucci, P. 80. The significance placed upon these engineer related exercises was reiterated by GEN Woerner, Commander-in-Chief, U.S. Southern Command, during a speech to the Command and General Staff College students on 14 Dec 88.

⁵Clinton W. Miller, "Engineer Challenges," *Military Review* 69/2 (February, 1989): 30-31.

⁶The FC Exercise in Ecuador was subsequently changed to a humanitarian project to help the nation rebuild from an earthquake that devastated Ecuador in March 1987.

Moreover, the Government of Peru has asked for U.S. assistance on several occasions. Most recently, during the May 1988 visit to the U.S. by the Peruvian Army Commanding General, Peru solicited U.S. help in solving its widening insurgency problem. Presumably, U.S. military assistance toward Peru's nation-building program can go a long way in Peru's fight against Marxist and Maoist insurgents.⁸

From the U.S. Country Team's point of view, a nation-building exercise in Peru should be a boon. Peru, being in constant arrears in its foreign debt payment, is normally ineligible to receive Security Assistance. A nation-building exercise would be a significant U.S. initiative in an otherwise insignificant U.S. program in Peru. Indeed, the possibility of a Blazing Trails exercise in Peru was high on Ambassador Alexander Watson's discussion topics with the then USCINCSOUTH, GEN Galvin, during the early 1987 visit of the General to Peru.

Although, in terms of the U.S. regional strategy as expressed by Mr. Carlucci, Peru should be one of the focal points of U.S. military national development effort in South America, there are also compelling reasons to the contrary. The current President of Peru, Dr. Alan García Pérez, has been an outspoken critic of American policies in Latin America. Key to his foreign policy platform is to unite Latin America as an autonomous force against the U.S., which he refers to as "the richest and most imperialist nation on earth." He has taken a bellicose stance against the prompt payment of Peru's \$14 billion external debt (\$2.5 billion of which are loans from U.S. banks).⁹ There is also

⁸Florian Root, "Peru: The Message from García," Foreign Affairs 64 (Winter 1985/86): 281.

⁹In 1985 and 1987, during staff visits by U.S. Army engineer officers, the Peruvian Army, through its *Civilian de Desarrollo Nacional*, officially expressed requirements for construction equipment. Part of the Peruvian Army CG's 1988 request involved construction equipment as well. In 1988, Peru's War Minister also queried the U.S. Ambassador about the possibility of a Blazing Trails exercise in Peru.

the question as to whether Peru's current insurgency problem will allow for a safe deployment of American troops. Lastly, there is doubt that Peru's current political make-up will allow the presence of U.S. troops in Peru. If President Garcia himself does not object, the strong *Izquierda Unida* (United Left, an umbrella party for several Marxist political parties) probably will.

In September 1987, the U.S. Embassy in Peru received an invitation from the U.S. Southern Command to host the FC exercise for FY 89. The Country Team declined. The main reason they gave was that the timing for the exercise coincided with the 1989 municipal and the 1990 national elections in Peru. Presumably, a Fuertes Caminos after 1990 might be acceptable.¹⁰

Section 2. Thesis Structure

Primary Question

It is clear that a significant U.S. military engineer exercise in Peru will have to wait until after the 1990 Peruvian national election. However, it is just as clear that the decision to engage in such an exercise cannot wait until 1990. It is necessary to consider now, the advisability of a significant military engineer exercise two years hence. First, programming of limited resources should commence as early as possible. Second, certain things can be done today to confirm the advisability of a major exercise in the Nineties. As an example, mitigation of possible risks can start well ahead of actual exercises. Small scale (and therefore low risk) engineer efforts to "test the waters" can be accomplished in the next two years to confirm the advisability of a major

⁹Root. Pp. 283-284.

¹⁰The author staffed the decision memorandum through the members of the Country Team.

exercise in the early nineties. In effect, a program that culminates in a significant nation-building exercise in a few years, can start today.

In essence, the question is, "Is it advisable for the U.S. to employ its military engineers in a nation-building exercise in Peru?" Advisability will be looked at from two perspectives. First, will such an effort benefit the national interests of the U.S. and those of Peru (desirability)? Second, what risks are involved and how can these risks be mitigated (feasibility)? Simply, for nation-building exercises to be acceptable, they have to benefit both nations while posing acceptable risks.

Scope

As previously mentioned, this paper seeks to examine the advisability of a U.S. military nation-building exercise in Peru, by exploring two areas: desirability and feasibility. However, a review of the history of U.S.-Latin American relations is a necessary first step. To begin with, such a review is a key to understanding some of the issues that confront the U.S. in Latin America and Peru. For example, U.S. initiatives in the region are routinely regarded with suspicion by Latin American nations. More importantly, a review of U.S.-Latin American relations serves as a vehicle for tracing the evolution of U.S. interests in the region. Thus, Chapter 2 is a short review of the history of U.S.-Latin American relations.

The third chapter examines post-WW II relations between the U.S. and Peru. While employing the conclusions made in Chapter 2 as discussion guides, Chapter 3 simultaneously seeks to emphasize the unique aspects of U.S.-Peruvian relations. The intent is to bridge the issues gleaned in Chapter 2

with the issues that affect current U.S.-Peruvian relations, the subject of the fourth chapter.

Chapter 4 defines current U.S. and Peruvian national interests. The identification of these interests is a prerequisite to answering the question of desirability explored in Chapter 5. In essence, Chapter 4 attempts to determine what the U.S. and Peru expect to gain from their relationship.

Chapter 5 examines how a U.S. military nation-building exercise relates to the national interests of the U.S. and Peru. First, the chapter looks at the military civic action record in Latin America. Today's military nation-building exercises clearly have their roots in the civic action programs of the past. Second, the chapter analyzes the question of desirability—a program that employs U.S. military units in the development of other nations will tend to promote some interests while detract from others. Certainly, such a program is desirable if it clearly serves the interests of both the U.S. and the Host Nation.

As already noted, even when a program is adjudged to be desirable, it still may conflict with some interests. Such "risks" are a day-to-day factor in the relationships of nations. However, when the probability is high that such conflicts may result in the undermining of key interests, then the program becomes "too risky"; and, unless reasonable measures can be taken to reduce the probability of occurrence and/or damage to these key interests, the program becomes infeasible. This question of feasibility (the identification of significant risks and the mitigation of such risks) is the focus of the last part of the fifth chapter.

The final chapter is devoted to options and recommendations. Given the desirability and feasibility (or lack thereof) established in the previous chapters, is it advisable for the U.S. to employ its military engineers in nation-building

exercises in Peru? There is more to this question of advisability than a simple yes or no answer. A Yes answer must also outline what the program should look like and how it is to be implemented. A No answer should examine the ramifications of a "null proposition". A Yes and No answer is yet another possibility. It may be advisable to have a program of small exercises to avoid the risks in having a full-scale exercise.

Assumptions

The security of U.S. troops is a paramount concern. Plans for U.S. military exercises in Peru must include positive provisions insuring the safety and well-being of American personnel. If such provisions cannot be made, then the U.S. will not conduct those missions that involve troops. Of course, there may be instances when the benefits outweigh the risk of endangering American lives. However, it is not within the intent of this study to establish when such risks become acceptable.

Some risks, not involving the security of American troops, will also exist. This study assumes that Peru is significant enough to U.S. interests that some of these risks will be acceptable. The study will identify these risks, and when appropriate, the measures to mitigate these risks.

Limitations and Delimitations

The thesis is by definition partly predictive. It tries to establish the advisability of a course of action that is to occur three years hence. When one considers Peru's traditionally volatile political character and the turbulence she is experiencing today, an inherent limitation of the topic becomes apparent.

Since political leadership determines, to a great degree, the interests of a nation, the answer to the question of advisability may depend on a prediction as to which political party will be ruling Peru in the 1990s.

The question of feasibility previously mentioned should not be confused with engineering feasibility studies. This is not an engineering study. It does not consider the technical aspects of past and future projects except when such factors are clearly germane to the basic issue at hand. For example, although it may be pertinent whether a road to be constructed is temporary or semi-permanent, it should not be necessary to discuss the structural design of the road.

The paper is not intended to be a study of Low-Intensity Conflict (LIC) "how-to-fight" doctrine. It is true that the existing insurgency problem in Peru is a factor that will have impact on U.S. options. Also, the U.S. views nation-building in the context of counterinsurgency in a LIC environment. Thus, it is necessary to establish how insurgency will affect the nature of any nation-building effort, and vice versa. However, it is neither necessary to review nor validate LIC doctrine in this thesis.

A review of U.S. military civic action experience will be limited to those that occurred in Latin America except where clear and direct analogies can be made with the now recognized classic cases of the 1950s in the Philippines and the 1960s in Vietnam.

Research Methodology

The primary method for establishing the pertinent facts is the use of published material. A review of available literature is in Appendix A.

Two other methods used to collect facts are questionnaires and interviews. The questionnaires were forwarded primarily to the Country Team in Peru. The SOUTHCOM Engineer was provided with copies as well. The intent is to gain insight by querying both Defense and State personnel for current, first-hand information on U.S. and Peruvian interests as well as political and security factors that are relevant to the thesis. It is not a statistical survey. A copy of the questionnaire and the consolidated results are in Appendix B.

Interview subjects are primarily faculty members and students of the U.S. Army Command and General Staff College who worked as planners and field leaders in previous military exercises in Latin America. They provided insights on the planning and execution details that need to be considered in a military nation-building exercise in Peru.

In summary, the question of whether it is advisable for the U.S. military to conduct nation-building exercises in Peru, boils down to desirability and feasibility. Desirability exists when the national interests of both the U.S. and Peru are advanced. Feasibility exists when both countries do not stand the risk of undermining their key interests. Of course, answering the question is not as easy as posing it. Nonetheless, the next four chapters will be devoted to answering the question, "Is it advisable for the U.S. to conduct nation-building exercises in Peru?"

CHAPTER 2

U.S.-LATIN AMERICAN RELATIONS

This chapter provides a quick walk through the history of the relationship between the U.S. and her neighbors to the south. The intent is two-fold: first, to gain an appreciation for the way most Latin Americans view the U.S. today; and second, to determine the interests that have traditionally affected U.S.-Latin American relations.

It must be noted that treating Latin America as a homogenous region, as this chapter does, is rarely a valid oversimplification. However, U.S. policy has consistently viewed Latin America as a region, and Latin America often reacted to the U.S. in concert. Thus, in reviewing the history of U.S.-Latin American relations, treating Latin America as one is often an acceptable expedient, as long as the conclusions derived relate only to trends and generalities over time.

This chapter does not attempt to pass judgement on U.S. policy toward Latin America. It merely illustrates why Latin Americans view the U.S. the way they do. The ensuing historical discussion paints a negative picture of U.S. foreign policy. However, the approach is justified; Latin Americans generally view U.S. policy negatively—often with suspicion, sometimes with contempt.

The Monroe Doctrine

When writing about U.S.-Latin American relations, most Latin Americanists go back to President Monroe's annual message to the U.S.

Congress on December 2, 1823. However, the U.S. did have interests in the region before the declaration of what is today known as the "Monroe Doctrine."

In 1810, fourteen years before Spain's final defeat in South America,¹ the U.S. posted Joel Robert Poinsett to Buenos Aires, as Special Agent of the U.S. to South America. Secretary of State Robert Smith's instruction to Mr. Poinsett alluded to two concepts which still affect U.S.-Latin American relations today. First is the ideologic interest "to maintain that system of peace, justice, and good will" by virtue of "belonging to the same portion of the globe." This idea became a factor in the formulation of the Monroe Doctrine and later evolved into "Pan-Americanism." Second is the commercial interest with which the U.S. has always viewed Latin America. U.S. commercial concerns in Latin America played a major role in determining U.S. foreign policy, and continue to do so today.²

The idea that the Western Hemisphere was a "New World," also implied the exclusion of the European powers. In 1808, Thomas Jefferson backed the South American revolution by declaring, "We consider their interests and ours as the same and that the object of both must be to exclude all European influence from this hemisphere."³ But it was not until fifteen years later, with the Monroe Doctrine, that the U.S. would publicly declare a policy aimed at excluding Europe. James Monroe, in his speech to the U.S. Congress on December 2, 1823, declared that:

¹The Battle of Ayacucho in December, 1824, is recognized by most historians as the last battle of the War of Independence, although skirmishes of no consequence would continue for two more years.

²Robert Smith, instructions to Joel Robert Poinsett on 28 Jun 1810, The Evolution of our Latin American Policy: A Documentary Record, comp. & ed. by James W. Gantenbein (New York: Octagon Books, 1971), 7-8.

³Quoted by Arthur P. Whitaker and as found in Harold Molineau's U.S. Policy toward Latin America (Boulder: Westview Press, 1986), 21-22.

The political system of the allied powers [France and the members of the Holy Alliance, Russia, Prussia and Austria] is essentially different in this respect from that of America. ...we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety.⁴

The Monroe Doctrine had a pragmatic basis. It was a direct warning to Russia to desist in its claim over parts of the U.S. in the Pacific Northwest.⁵ More importantly, it was a veiled warning designed to discourage Great Britain from reclaiming her former colony, the U.S.⁶ Thus, the Monroe Doctrine expressed U.S. security interest in the region.

The Monroe Doctrine turned out to be ineffective in halting European intervention. Great Britain, interested in the commercial possibilities in an independent South America, was the power behind the enforcement of the Monroe Doctrine.⁷ U.S. power was as yet insufficient to keep the Europeans out of Latin America. Great Britain herself intervened in affairs of Latin nations, as in 1833 when she occupied the Malvinas/Falkland Islands.⁸ Spain invaded guano islands off the coast of Peru in 1864 and did not relinquish them until 1866.⁹ France managed to establish a French monarch in Mexico from 1861 to 1865.¹⁰ Even the Germans and Italians got into the act by joining Great Britain in naval actions against Venezuelan ports.¹¹

⁴Gartenbein, 324.

⁵ibid, 306-307.

⁶Richard McCall, "From Monroe to Reagan: An Overview," From Gunboats to Diplomacy, ed. by Richard Newfarmer (Baltimore: John Hopkins University Press, 1984), 18.

⁷R. R. Palmer and Joel Colton, A History of the Modern World (New York: Alfred A. Knopf, 1971), 491-492.

⁸C. Neale Ronning, Intervention in Latin America (New York: Alfred A. Knopf, 1970), 7.

⁹Richard F. Nyrop, editor, Peru: A Country Study (Washington D.C.: U.S. Government Printing Office, 1981), 22-23.

¹⁰Palmer and Colton, 675.

¹¹Ronning, 8.

Nor did the Monroe Doctrine prevent the U.S. from intervening in Latin America. In 1845, the U.S. annexed Texas from Mexico. In the resulting war, the U.S. annexed even more Mexican territory between Texas and the Pacific coast. Somehow, President James K. Polk found a way of justifying U.S. aggression as beneficial to Mexico and the rest of the World.¹²

Mexico was not alone among Latin American nations whose sovereignty the U.S. violated, inspite of the Monroe Doctrine. In the half a century between the end of the Mexican War, in 1848, and the start of the Spanish-American War, in 1898, the long arm of U.S. military might reached into Nicaragua seven times, Colombia seven times (includes incursions into Panama, which was part of Colombia until 1902), and Haiti five times. Not even distance could spare Argentina (3 times), Uruguay (3 times), Paraguay, Chile and Brazil.¹³ In most cases the motive was to protect U.S. citizens and property. None of the incidents resulted in territorial gain; but, a precedence of interventions in the name of protecting U.S. citizens and their private interests was established.

The war against Spain in 1898 demonstrated another U.S. interest in Latin America—interest arising from humanitarian concerns. In a special address to Congress on April 11, 1898, President William McKinley declared U.S. intentions in the Spanish-American War to be to end inhuman treatment of Cubans by Spain, as well as to protect U.S. citizens and interests and to redress the sinking of the battleship, USS Maine. The U.S. promptly won the war. In the Treaty of Paris of 1898, the U.S. was granted Cuba, Puerto Rico, the Philippines, and Guam.¹⁴

¹²Message to Congress dated July 6, 1848. In Gentenbein, 559-560.

¹³Peru was subjected to incursions once in 1835 and a second time in 1836. Ronning, 27-30.

¹⁴Gentenbein, 474-475.

Although the U.S. would promptly grant Cuba its independence in 1903, it was with strings attached. The Platt Amendment to the treaty between the two nations prohibited Cuba from conducting its own foreign affairs and granted the U.S. the right to intervene in Cuban affairs and to maintain naval stations in Cuba.¹⁵

In the acquisition of the Panama Canal Zone, U.S. economic and security interests were clearly the motives. The commercial advantages of a route through the Isthmus that linked the Pacific with the Atlantic had been clear since the California gold rush in 1849. The strategic value of such a route became clear with the difficulty the U.S. Navy experienced in shifting ships from the Pacific to the Caribbean during the Spanish-American War. With the acquisition of the Philippines and commercial interests in Asia, the idea of a canal became even more compelling.¹⁶ The Panama Canal Zone has been the focus of U.S. security interest in Latin America since its acquisition. It has also been a source of conflict in the region, since.

The Roosevelt Corollary and U.S. Hegemony over the Caribbean

In 1904, Theodore Roosevelt declared that:

If a nation shows that it knows how to act with reasonable efficiency and decency in social and political matters, if it keeps order and pays its obligations, it need fear no interference from the United States. ...In the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States...in flagrant cases of such wrongdoing...to the exercise of an international police power. ...Our interest and those of our southern neighbors are in reality identical. They have great natural riches, and if within their borders the reign of law and justice obtains, prosperity is sure to come to them.¹⁷

¹⁵Ibid. 488-494.

¹⁶Mollneu, 42-44.

¹⁷Theodore Roosevelt, "Annual Message to the United States Congress, December 6, 1904," in Gartenbein, 361-362.

Roosevelt reasoned that the delinquency of Latin American countries, in paying the debts they owed Europe, gave the Europeans reason to intervene in Latin America. Thus, the U.S. may intervene in the affairs of delinquent nations in order to prevent European intervention. In the next thirty years following the proclamation of the Roosevelt Corollary, the U.S. intervened over thirty times in the affairs of her Caribbean neighbors.¹⁸

In 1912, the U.S. Marines went into the Dominican Republic to restore order so that the Island could pay her international debt. In the process, the U.S. compelled the Dominican president to resign. The ensuing chaos precipitated yet another invasion by the Marines in 1916. This time the U.S. stayed until 1924. In the interim, the Marines trained the Dominican Army headed by General Trujillo. It was this same army that Trujillo used to control the Dominican Republic until 1961.¹⁹

The Marines went into Haiti in 1915 to restore order and oversee the payment of international debt. They stayed on until 1934. In this period, the U.S. virtually governed the island through the office of the U.S. High Commissioner to Haiti.²⁰

Nicaragua was subjected to several interventions by the U.S. between 1912 and 1933. These included extended stays by the Marines, from 1912-1925, and again from 1926-1933. During these interventions, the U.S. managed to assist the conservative faction defeat the liberal government in a civil war,²¹ assume control of Nicaragua's customs apparatus,²² and obtain, in perpetuity, "the exclusive proprietary rights necessary and convenient for the

¹⁸Flanning, 30-32.

¹⁹Molineu, 45-46.

²⁰"Report of the President's Commission for the Study and Review of Conditions in the Republic of Haiti (the Forbes' Commission), March 26, 1930 (extracts)," Gartenbein, 661-665.

²¹Molineu, 47-48.

²²"Loan Convention between the United States and Nicaragua," Gartenbein, 609-611.

construction, operation and maintenance of an inter-oceanic canal."²³ The Marines were even embroiled in guerilla-style warfare against the forces of Augusto César Sandino.²⁴ Sandino successfully fought the Marines from 1927 to 1933. In the process, he became a symbol of Latin American resistance to U.S. interventionism.

Part of the accomplishments of the Marines was the training of the Nicaraguan *Guardia Nacional* (National Guard). When the Marines finally pulled out in 1933, it was General Anastasio Somoza García who assumed command over the control of the Guardia. Within three years, Somoza and the Marine-trained Guardia martyred César Sandino, overthrew the government, and established a dictatorship that was to last until 1979.²⁵

To the Latin Americans, the lesson was not lost—there was more to fear from the "colossus of the north" than there was from the Europeans. The frequency of armed intervention by the U.S. made her more dangerous than any European power could ever be. As Peruvian Francisco García Calderón would write in 1913, "To save themselves from Yankee imperialism the American democracies would almost accept a German alliance, or the aid of Japanese arms; everywhere the Americans of the North are feared."²⁶

To others, the dangers came not so much from armed intervention but from the economic invasion that U.S. "imperialism" sought to establish in Latin American countries. Argentinean Manuel Ugarte, in a 1925 book, wrote, "The United States... inaugurated the system of annexing wealth, apart from inhabitants or territories, disdaining outward shows in order to arrive at the

²³Convention between the United States and Nicaragua, Signed at Washington, August 5, 1914," Gertenbein, 913-915.

²⁴Statement by the Department of State, 1932, Regarding Withdrawal of the United States Marines from Nicaragua," Gertenbein, 628-629.

²⁵Molineu, p. 48.

²⁶In Flonning, 36.

essentials of domination without a dead-weight of areas to administrate, and multitudes to govern."²⁷

Victor Raul Haya de la Torre sought Latin American unity against the U.S. Exiled to Mexico from his native Peru, he founded the American Popular Revolutionary Alliance (APRA) in 1924. Among the objectives of the party were, "Action against Yankee Imperialism[,] ...the political unity of Latin America[, and] ...the internationalization of the Panama Canal."²⁸

Good Neighbor Policy

In 1933, the newly elected president, Franklin D. Roosevelt, announced at his inauguration:

...In the field of world policy I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors. We now realize as we have never realized before our interdependence on each other; that we cannot merely take, but we must give as well... ²⁹

Initially, FDR's words were met with skepticism by most Latin Americans. "...no Latin American could afford to accept them seriously, because of the irritating discrepancy between words and deeds."³⁰ But, U.S. actions swiftly followed the words. The very next year, the Marines pulled out of Haiti. 1934 also saw the repeal of the Platt Amendment. The U.S. renegotiated the Panama Canal Treaty to allow for terms more advantageous to Panama.³¹

²⁷Ibid, 44.

²⁸Raúl P. Saba, Political Development and Democracy in Peru (Boulder: Westview Press, 1987), 23.

²⁹Gartenbein, 159.

³⁰Luis Quintanilla, "From the Worst to the Best," in Ronning, 65.

Most important, the U.S. officially affirmed compliance with the principle of non-intervention, without any qualifications, when it signed Declaration XXVII of the 1936 Buenos Aires Inter-American Conference for the Maintenance of Peace. Among other things, the document declared that, "Intervention by one State in the internal or external affairs of another State is condemned." ³²

In 1938, the Mexican Government expropriated the property of several U.S. oil companies. When the companies turned to the U.S. Government for assistance, not only did FDR deny their request, he also affirmed Mexico's rights to expropriate.³³ This was a far cry from earlier days when a plea from a U.S. commercial interest would result in U.S. intervention.

It is not surprising then, that despite past actions, the U.S. was able to galvanize Latin American unity on the eve of WW II. In the words of Mexican diplomat Luis Quintanilla, "Today, after nine years in the White House, President Roosevelt is the first Chief Executive of the United States who, to use his own words, can 'look us in the eye and take our hands'."³⁴ The Pan-American solidarity brought about by FDR's Good Neighbor Policy, could not have come at a more fortuitous time. Although the U.S. did not need nor expect Latin Americans to fight at her side, she needed other things from them that the improved relations had now made possible.³⁵

One of the tasks the U.S. had to accomplish was to neutralize Axis influence in South America. While the U.S. was intervening in Caribbean affairs, it was to the Europeans that South America turned to for military

³¹Mollneu, 23.

³²Gartenbein, 772-773.

³³Mervin G. Stottlemire, "Measuring Foreign Policy: Determinants of U.S. Military Assistance to Latin America" (Doctorates Dissertation: Rice University, 1975), 24-25.

³⁴In Flanning, 66.

³⁵Stottlemire, 25.

assistance and training. As an example, Peru had had French Military missions since 1895. In the 1930s the Italians replaced the French in conducting aviation training.³⁶ Germany had formed close military ties with Brazil and was providing her with military training and armaments. To complicate matters, Argentina, Brazil and Uruguay had a large population of immigrants from Axis countries.³⁷

To supplant Axis influence, the U.S. began to provide military assistance to Latin America. Armaments as well as military advisers went south. In exchange, the U.S. gained the expulsion of Axis military missions and, in some countries, military basing rights. In Peru, not only did the U.S. Marines take over aviation training from the Italians, the U.S. also received permission to construct an airfield in the northern town of Talara.³⁸ Brazil severed all economic and military ties with Germany and later sent troops to fight besides the Americans in Italy. The U.S. effort to isolate the Axis powers from Latin America was successful, except in Argentina.³⁹

When the Third Meeting of the Ministers of Foreign Affairs of the American Republics convened in Rio de Janeiro on January 15, 1942, all of the Caribbean/Central American States had declared war on the Axis powers, while Mexico, Colombia, and Venezuela had severed diplomatic relations. At the conference, the U.S. delegate requested that no other nations declare war for fear that South America would be subjected to attacks.⁴⁰ The conference did resolve to break all diplomatic and economic ties with the members of the

³⁶Nyrop, 223.

³⁷John Vickrey Yan Cleve, "The Political Use of Military Aid: The United States and the Latin American Military, 1945-1965" (Doctorates Dissertation: University of California, Irvine, 1976), 45.

³⁸Nyrop, 220-221, 224.

³⁹Yan Cleve, 45-49.

⁴⁰Stottlemire, 26.

Tripartite Alliance.⁴¹ More importantly, it established the Inter-American Defense Board to map-out plans for the defense of the hemisphere.⁴²

A review of the Inter-American Defense Board's accomplishments in WWII would reveal that it did help in the war effort. Among other things, it insured that Latin America would provide the U.S. critical raw materials while denying the Axis the same. More than this, however, the Inter-American Defense Board's significance to U.S.-Latin American relations was: first, it would provide continued military-to-military contacts; and, second, it would lead to the 1947 Inter-American Treaty of Reciprocal Assistance (Rio Pact), a mutual defense agreement, and the 1948 establishment of the Organization of American States (OAS) in Bogotá, Colombia.⁴³

Pan American Solidarity and the Cold War

WW II left Europe in shambles, her countries needing every bit of what they had left to rebuild their own infrastructure. Even if the desire had been there, the Europeans did not have the resources to devote to any adventures in South America. Indeed, Europe was now herself a recipient of U.S. economic aid. Latin America was now "safe" from Europe.

In contrast, WW II spared Latin America from the destruction of war. In fact, Latin American countries found some measure of economic progress during the war. First, the U.S. manufacturers that had dominated Latin American markets, turned their capacity toward supporting the war effort. In the attempt to make-up for the reduction in the availability of imported goods from the U.S., and since the other traditional sources of imports were likewise tied down by the war, the larger Latin American countries developed local

⁴¹Gartenbein, 807-815.

⁴²Stottlemire, 27.

⁴³Mollneu, 26-27.

industries. Second, with the rest of the world embroiled in the war, Latin America became virtually the sole external source of raw materials needed by the U.S. war effort. By 1945, the U.S. was importing 42% of its needs from Latin America, up from 25% before the war. At the same time, only 14% of U.S. exports went to Latin America, down from 18%.⁴⁴

The end of the war soon threatened Latin America's new found economic resurgence. The U.S. returned to cheaper sources of imports and tried to regain her pre-war dominance over Latin American markets.⁴⁵ In response, Latin America requested economic concessions. The clamor for economic relief peaked as the Marshall Plan to assist Europe in her recovery was announced. The voice for a parallel plan for Latin America was loud enough that U.S. leaders were obliged to explain why Europe, and not Latin America, was to get massive U.S. economic assistance. President Truman explained to a largely Latin American audience in Brazil that although the U.S. recognized the economic problems of Latin America, application of limited U.S. resources was needed more acutely in Europe, and that the solution to the economic problems of Europe was more germane to the U.S. "desire for world peace."⁴⁶

When the U.S. and Latin America came together in Rio and Bogotá, in 1947 and 1948, each had differing interests. The U.S. was battling communism and the Soviets, viewing her relationship with Latin America within the context of this East-West conflict. The Latin American nations wanted U.S. assistance to maintain the economic progress of the war years.

⁴⁴McCall, 23-24.

⁴⁵*Ibid.*

⁴⁶Harry S. Truman, Address to the Inter-American Conference for the Maintenance of Continental Peace and Security, at Quitandinha, Brazil, September 2, 1947, in Gantenbein, 263-268.

Both sides found room for compromise. The U.S. agreed to recognize Latin American economic demands. Latin Americans accepted U.S. security concerns. On the one hand, the conferees declared "that by its anti-democratic nature and interventionist tendency, the political activity of international communism or any totalitarian doctrine is incompatible with the concept of American freedom...".⁴⁷ On the other hand, they recognized that, "The economic welfare of each state depends in large measure upon the well-being of the others...".⁴⁸

The show of compromise was superficial. The fact was that the U.S. had become such a dominant force politically, economically, and militarily. She had no reason to heed the desires of the other members of the OAS.

The assistance Latin America did receive was often with strings attached. Assistance was given to insure Latin American support of the U.S. in international forums such as the United Nations. It was provided to keep down the cost of imported raw materials such as coffee from Colombia. Request for assistance was often provided in exchange for concessions to protect substantial U.S. investments, such as the settlement of strikes against the Kennecott copper mines in Chile.⁴⁹

U.S. economic and security interests were behind the military assistance provided Latin America. In 1951, after resisting similar Truman efforts in the 1940s, Congress acceded to the President's request to provide Latin America military assistance by passing the Mutual Security Act. This legislation envisioned a reduction of U.S. security commitment in Latin America during the

⁴⁷"Declaration and Resolution XXXI," Gartenstein, 838-839.

⁴⁸Ibid, 842.

⁴⁹Samuel L. Baily, The United States and the Development of South America, 1945-1975 (New York: New Viewpoints, Franklin Watts, 1976), 55-60.

Korean War, by providing arms to the region's armed forces. It also established the framework for future military assistance.⁵⁰ Washington policy makers theorized that military assistance would keep Latin America's most important institutions, their armed forces, sympathetic to U.S. needs, insuring access to economically crucial raw materials and markets for U.S. products.⁵¹

Whatever other motives the U.S. had in Latin America, it was her preoccupation toward the establishment of a communist foothold in the Western Hemisphere, that caused her return to intervention as a policy tool. In 1954, the U.S. intervened in Guatemalan affairs.

The Guatemalan intervention was unique in that it was the first time the U.S. would employ a CIA-trained force to overthrow a hostile Latin American government. Although no direct evidence connected the U.S. to the force, there was little doubt among Latin American nations that the U.S. was behind the invasion that toppled the government of Jacobo Arbenz Guzman.⁵²

Not surprisingly, Latin American frustration with U.S. policy increased sharply with this rude reminder of U.S. interventionism. Although Eisenhower actually increased assistance to a yearly average of \$500 million (up from \$160 million yearly average during Truman's term),⁵³ the Latin Americans had come to view U.S. aid as being conditional to supporting the U.S. anti-communist crusade. Moreover, economic assistance to Latin America remained small. Thus, as early as 1954, Pan American solidarity was dying, a victim of the Cold War.⁵⁴

⁵⁰Ibid, 69.

⁵¹Yan Cleve, 110-119.

⁵²Molneu, 54-59.

⁵³Baily, 56.

⁵⁴Albert Fishlow, The Mature Neighbor Policy: A New United States Economic Policy for Latin America (Berkeley: Institute of International Studies, University of California, 1977), 9-10.

Latin American disillusionment with the U.S. was not readily apparent to most Washington politicians. In 1958, the then Vice-President Nixon, while on an official tour through South America, was greeted by hostile demonstrations in Lima, Peru, and Caracas, Venezuela. U.S. policy makers suddenly awoke to the economic plight of her neighbors to the south. There was a resurgence of concern for Latin America. Even then, change was slow in coming. It was not until after it became clear that Fidel Castro's victorious revolution was a communist victory that the U.S. moved decisively to modify her policy toward Latin America.⁵⁵

The Alliance For Progress

The U.S. responded to the Cuban revolution by increasing her active involvement in Latin America. First, the U.S. cast aside its persistent objection to a long standing Latin American request, leading to the establishment of the Inter-American Development Bank, in 1960. More importantly, under the newly elected president, John F. Kennedy, the U.S. revamped its approach toward Latin America. In March, 1961, barely two months after taking office, Kennedy announced the Alliance for Progress to the assembled Latin American ambassadors to the U.S. The Alliance for Progress aimed to increase the per capita income in Latin America by 2.5% annually, redistribute the wealth, eliminate illiteracy, and reduce infant mortality by half, all in ten years. It also prescribed that military aid should emphasize counterinsurgency and training, instead of conventional warfare and arms.⁵⁶

⁵⁵*Ibid.*

⁵⁶Abraham F. Lowenthal, Partners in Conflict (Baltimore: John Hopkins Press, 1987), 29-30.

Although continuing to hold communism as a threat to the security of the U.S., this new approach sought to emphasize economic assistance, not security assistance, as the primary weapon against the spread of communism. This "liberal" way of thinking reasoned that if underdeveloped nations can resolve existing socio-economic injustice, then they would not be susceptible to communism.⁵⁷

However, the conservative approach was still the dominant view in Washington. Outside of Kennedy's advisers, most policy makers believed the Soviets to be the agitator for the instability that encouraged communism; that the best antidote to communism was a strong military that was friendly towards the U.S.⁵⁸

In the end, the conservative view prevailed. In practice, the Alliance for Progress emphasized security over social and economic reform. The conservative policy makers were easily able to redirect the emphasis of the Alliance for Progress toward military assistance. They reasoned that if the threat was internal, the best organized to deal with the threat were the indigenous military forces.⁵⁹

The redirection of the Alliance for Progress was most distinct during the Johnson presidency. Johnson's Latin American policy, the Mann Doctrine (named after Thomas Mann, the new Undersecretary for Latin American Affairs), had four basic points. First, the support for economic growth started by Kennedy was to continue, but, the U.S. was not to advocate social reform. Second, U.S. foreign policy would protect private U.S. investment in the area. Third, the U.S. would not intervene to seek democracy at the expense of friendly

⁵⁷Schoultz, 34-39.

⁵⁸Bally, 88-89.

⁵⁹ibid, 96.

military government, or vice versa. Lastly, the U.S. would continue to oppose the establishment of a communist regime in the hemisphere, outside of Cuba.⁶⁰

Just how actively, the U.S. would oppose the establishment of another Cuba, became clear when the U.S. landed troops in the Dominican Republic in April, 1965. The landing was undertaken to insure that the military government, friendly to the U.S., did not fall to a rebel group that had some communist support. Although OAS approval was sought and received by the U.S., it was after the fact. Circumstances clearly demonstrated that the U.S. intervened to prevent another Cuba.⁶¹

By 1968, the U.S. had conceded the failure of the Alliance for Progress. After having poured in \$10 billion in aid and another \$10 billion in private investments, Latin America was not better-off, economically; politically, it was worse-off.⁶²

The Alliance for Progress failed to stem the resurgence of anti-U.S. sentiments in Latin America. True, the Kennedy and Johnson administrations provided Latin America almost \$2 billion more per year than the Truman and Eisenhower administrations did.⁶³ However, economic assistance was offered arrogantly—it promoted the concept the the U.S. knew best what Latin America's problems were, and how to best solve them. Overt and covert U.S. intervention, coupled with the unprecedented presence of U.S. personnel in Latin American nations, fostered the perception that the Alliance for Progress was but another form of U.S. intervention.⁶⁴

⁶⁰Ibid, 105-107.

⁶¹Lowenthal, 31.

⁶²Ibid, 109-117.

⁶³Ibid, 56-57.

⁶⁴Lawrence E. Harrison, "Waking from the Pan-American Dream," Foreign Policy on Latin America 1970-1980 (Boulder: Westview Press, 1983), 4.

Post-Alliance Relations

The Nixon administration began its tenure with a promise for renewed U.S. attention toward Latin America. One of Nixon's first acts as President was to task New York Governor Nelson Rockefeller to make recommendations on how the U.S. should restructure its policies toward Latin America.

After a series of fact-finding trips, Rockefeller concluded that the U.S. had a special responsibility toward the development of Latin America. Recognizing the role of paternalism in past interventions, he went on to recommend comprehensive economic, political and security initiatives to support the "special relationship" between the U.S. and its neighbors. He also affirmed the role of private investment in the development of Latin America. He recommended increased military assistance since he felt that it was the military who was most capable of maintaining the peace and order necessary for economic growth and political unity.⁶⁵

The Latin Americans made their own bid to influence the policies of the Nixon administration. Meeting in Chile, in May, 1969, representatives from Latin American countries drafted the "Consensus of Viña del Mar," which they presented to Nixon in June, 1969. Among other things, they identified economic protectionism, lack of access to capital and technology, and the use of private investment as economic aid as external obstacles to their nations' economic progress. To diminish these obstacles they recommended that the U.S. respect the sovereign rights of nations over their natural resources, refrain from intervention, and provide assistance free of military, economic or political restrictions.⁶⁶

⁶⁵Bell, 110-119.

⁶⁶Ibid, 120.

The U.S. policy toward Latin America initially pursued by the Nixon administration, resembled neither the Rockefeller recommendations nor the "Consensus of Viña del Mar." Nixon rejected the notion of a "special relationship" with Latin America. U.S. foreign policy concentrated on the relationships with the U.S.S.R., China, Western Europe and Japan. Thus, the U.S. adopted a low-profile approach toward Latin America.⁶⁷

The diminished interest did not prevent U.S. intervention in Chilean affairs. In 1970, responding to the election of Salvador Allende, a Marxist, as President of Chile, the U.S. campaigned to isolate Chile politically and economically. U.S. actions contributed to Chilean economic problems and indirectly led to the 1973 ouster of Allende, and the ascension to power of General Augusto Pinochet.⁶⁸

Nixon tried to modify his Latin American policy halfway through his administration. The 1973 oil embargo by the OPEC nations underscored U.S. vulnerability to actions by developing nations. As a result, the U.S. started paying more attention to North-South issues.⁶⁹ At the same time, the desire to reduce dependency on OPEC oil renewed U.S. interest toward Latin America as a "secure" source of oil and other strategic resources.⁷⁰

The newly appointed Secretary of State, Henry Kissinger, announced the "New Dialogue." Waving the Pan-American banner, Kissinger proposed a renewed U.S. interest in assisting Latin American nations along the Rockefeller concept. Latin American rejection of renewed U.S. interest was evident in their subdued reaction.⁷¹ Actually, Latin American nations had given up on the

⁶⁷Lowenthal, 39.

⁶⁸Molineu, 163-173.

⁶⁹Fishlow, 25.

⁷⁰Lowenthal, 40.

⁷¹Fishlow, 25.

U.S.-sponsored Pan American framework, earlier. The failure of the Alliance for Progress led to the demise of Pan Americanism.⁷²

Carter's No-Label Approach

Like Kennedy and Nixon, Carter brought with him a new formula for dealing with Latin America. However, unlike Kennedy's "Alliance for Progress" and Nixon's "Mature Partnership," Carter did not label his new policy. In fact, one of the features of Carter's Latin American policy was to avoid the use of the catch-phrases previously in vogue. As a symbolic rejection of past, one-sided U.S. policy toward Latin America, the use of "Pan Americanism" and "special relationship" was avoided by the Carter administration.⁷³ Both in concept and in deed, Carter's approach toward the U.S. neighbors to the south was unique.

Carter's proclaimed emphasis, of humanitarian and economic issues over security issues, echoed that of Kennedy's. However, Carter's approach was different—he did not tie his commitment to social and economic reform to the notion of a "special relationship." Instead, he looked at Latin America from a broader, global perspective. In this respect, it made sense that Carter watched the downfall of the Shah of Iran and of Somoza of Nicaragua, with equal facility.

A global perspective may seem suspiciously close to the Nixon-Kissinger "Mature Relationship" policy. But, Carter's Latin American policy was different. Carter's globalist approach recognized the significance of the Third World, in general, and of Latin America, in particular. This policy led, not only to active relationships, but also to country specific, rather than regional, approaches toward Latin America.⁷⁴

⁷²Harrison, 5.

⁷³Abraham F. Lowenthal, "Latin America: A Not-So-Special Relationship," Foreign Policy on Latin America 1970-1980 (Boulder: Westview Press, 1983), 129.

⁷⁴*ibid.*

Carter's novel approach led to some unique initiatives in Latin America. The new administration agreed to renegotiate the status of the Panama Canal, recognizing Panamanian demand that dates back to Theodore Roosevelt's time. Carter also pursued a policy of rapprochement with Cuba. For the first time since Kennedy's announcement of the Alliance for Progress, there was hope that Washington's new interest toward Latin America was genuine.⁷⁵

The aspect that most distinguished the Carter administration's Latin American policy, was the emphasis on human rights. From the start, Carter signalled that the U.S. would no longer support repressive regimes, by opposing loan request by these nations and by signing the Inter-American Convention on Human Rights agreement.⁷⁶ When Somoza, long the most reliable and staunch U.S. supporter in Latin America, appeared in danger of falling to the leftist Sandinistas, Carter refused to go to his aid and even tried to persuade him to resign.⁷⁷

Unique though Carter's approach was, the end result was the same—Latin America drifted further from the U.S. First, Carter's policy produced another Cuba in Nicaragua. Second, the military-conservative forces in Latin America, the traditional allies of the U.S., came to doubt the reliability of U.S. support. Third, Carter's liberal approach failed to bring about any improvement in the economic and social conditions in Latin America. In the end, the Latin Americans viewed Carter's effort to be self-serving—Latin American cooperation was important only as long as it served U.S. concerns on energy, narcotics, and

⁷⁵*Ibid.*

⁷⁶*Ibid.*, 130.

⁷⁷Molineu, 137-142.

nuclear non-proliferation.⁷⁸ To some, the human rights policy was yet another U.S. attempt at intervention.

Return to the "Big Stick"

The failure of the Carter experiment resulted in a reversal in the liberal trend of U.S. policy toward Latin America. The Reagan administration completely rejected every basis of the Carter approach. Reagan policy makers, such as Jeane Kirkpatrick and Samuel Huntington, conceded that Carter's emphasis on human rights brought about the downfall of autocratic governments. However, they asserted that the policy promoted the rise of totalitarian regimes, more pervasive in their oppression, and less likely to accede to democratic reforms. "Thus, as distasteful as it may be for the United States to associate with authoritarian regimes, such as Pinochet's Chile or Duvalier's Haiti, the alternative may see them go communist and be lost to democracy forever."⁷⁹ Thus, assistance to El Salvador, Guatemala, Brazil, Chile and Argentina (at least until the Malvinas/Falklands War) were resumed.⁸⁰

With security concerns back in the forefront of U.S. policy making, a return to interventionism (in the traditional sense) was inevitable. After all, according to the creators of Reagan's Latin American policy, U.S. intervention led to "the freest elections and most open political competition in the history" of some Latin American countries.⁸¹

⁷⁸Lowenthal, Partners..., 42.

⁷⁹Molineu, 146-147.

⁸⁰Jerome Slater, "United States Policy in Latin America," Latin America: Its Problems and Its Promise (Boulder: Westview Press, 1984), 234-235. It should be noted that military assistance to El Salvador was resumed while Carter was still in power (Lowenthal, Partners..., 43).

⁸¹Samuel Huntington, as quoted in Molineu, 147.

The "success" story in U.S. interventionism of the 1980s, was the Grenada invasion. The safety of 650 U.S. students aside, the 1983 operation resulted in the overthrow of a Marxist military junta, and the expulsion of over 700 Cuban "workers" and thirty Soviet advisers. With the resources poured in to the island by the U.S. to insure that the results of U.S. intervention was positive, there is no doubt that Grenadans are better-off today, than if the U.S. had not intervened. Nonetheless, outside the U.S. and the Caribbean, there was very little support for the invasion. Unlike the 1965 Dominican Republic invasion, the OAS members refuse to endorse the Grenada invasion because the intervention was contrary to the organization's charter.⁸²

In contrast, U.S. intervention in Nicaragua is failing. The Sandinistas successfully isolated the *contras* and the Reagan administration from their allies in Central America and the U.S. They succeeded in convincing Latin America that a lasting peace process must exclude U.S. participation. The resulting peace plan, the Esquipulas II or Arias Plan, has effectively ended any prospect of a Congressionally approved *contra* military assistance package.⁸³

The ongoing U.S. conflict with Panamanian General Manuel Antonio Noriega illustrates how U.S. involvement can cloud the way Latin Americans view issues. The initial Latin American reaction to the March, 1988, ouster of President Delvalle was the condemnation of Noriega. However, Noriega was quick to take advantage of ingrained Latin American animosity toward the U.S. He portrayed the situation to be a struggle against U.S. interventionism and desire to control the Canal beyond the provisions of the Carter-Torrijos treaties. In doing so, he has succeeded in muting Latin American resistance to his

⁸²Molineu, 205-206.

⁸³Sam M. Linowitz, "Latin America: The President's Agenda," Foreign Affairs 67 (Winter 1988/89): 52.

regime. In the OAS, seventeen Latin American countries voted to condemn the U.S. for unnecessary intervention in the affairs of Panama.⁸⁴ Even the opponents of Noriega now blame U.S. intervention as having undercut Latin American efforts to negotiate Noriega's resignation, thus leading to the weakening of Panamanian opposition to Noriega.⁸⁵

The jury is still deliberating whether President Reagan's Latin American policy has succeeded or failed. But if one is to use U.S. influence as a gauge, then the Reagan Doctrine has failed. The fact that Ortega and Noriega are still in power is a sign of diminished U.S. influence. The return to the "big stick" has only served to strengthen Latin American unity in opposing U.S. initiatives in the region.⁸⁶

Summary

The national interests that have traditionally affected U.S.-Latin American relations were economic, politico-ideologic, security, and humanitarian in nature. Commerce and the idea that the New World was different and separate from the Old World were the initial sources of U.S. interest in the region. With the enunciation of the Monroe Doctrine, U.S. security interest, expressed as a warning to the European powers to stay away from the Western Hemisphere, became the preeminent U.S. interest in Latin America.

The 19th Century also saw the evolution of U.S. interventionism in the region. A marriage between economic and security interests, intervention in the name of protecting U.S. citizens and their property became a common

⁸⁴Adolfo Aguilar Zinser, "Intervening in Latin America," Washington Post National Weekly Edition (August 24, 1987): 6.

⁸⁵Linowitz, 60-61.

⁸⁶Lowenthal, Partners..., 47.

occurrence. Expansionism, an offspring of the union between economic and security interests, was briefly a motive behind U.S. interventions as well.

Undoubtedly, politico-ideologic interests was as much a reason as economic and security interests were in the U.S. interventions in the first three decades of the 20th Century. In Cuba, Haiti, Dominica and Nicaragua, the U.S. sought to establish democratic republics. Humanitarian interests also emerged during these interventions—ending the inhumane treatment of the Cubans was a declared reason for the U.S. invasion of Cuba. Construction of roads, schools and sanitation facilities became typical tasks for the military during U.S. occupations.

Notwithstanding the altruism behind U.S. actions, Latin Americans increasingly resisted U.S. interventionism. Latin American nationalism took the form of anti-Americanism.

The Good Neighbor Policy erased the threat of U.S. intervention and ushered in the Pan American ideal as a hemispheric interest. Latin America embraced Pan Americanism for the collateral economic benefits it could bring. The U.S. embraced it for its security value. WW II almost resulted in the fulfillment of the Pan American ideal. Certainly, the war provided Latin America some economic progress while simultaneously enhancing U.S. security. By the end of the war, U.S.-Latin American relations were at their highest level.

Since, U.S.-Latin American relations has deteriorated. Latin America clamored for its own Marshall Plan. The U.S. initially refused to provide economic assistance, opting instead to further the interests of U.S. investors in the region. U.S. security interest, in the form of preventing the Soviets from gaining a foothold in the hemisphere, dominated all other concerns. The U.S. satisfied its security concerns by arming Latin American military forces and by

occasional interventions to prevent the establishment of communist regimes. Spurious U.S. attention and interventionism led to the demise of the Pan American dream and a reawakening of Latin American animosity toward the U.S.

Latin America rejected private investment as assistance. When the U.S. responded with public funds, it was often with strings attached. It seemed that assistance provided more for U.S. security interests than for Latin American economic interests. Politico-ideologic and humanitarian interests were also subverted by U.S. security interests. Until the late 1970s, the U.S. routinely supported authoritarian military governments because these governments were often staunchly anti-communist and pro-U.S.

The product of past U.S. policies is a Latin America that is highly suspicious of any U.S. initiatives in the region. Tragically, even enlightened U.S. efforts are often rejected as but another U.S. ploy to unduly influence the region. Carter's human rights agenda fell victim of this Latin American attitude. U.S. effort to assist the cause of freedom in Panama is struggling against the same attitude.

Latin American scholar, Adolfo Aguilar Zinser, articulately described the U.S. dilemma and the solution, as follows:

We Latins believe that altruistic causes such as "democracy" and "freedom" and even economic assistance are often mere pretexts to hide illegitimate purposes. At best, many Latin Americans believe that intervention—even in a good cause—involves such abuses of power that it soon becomes an aggression.

In Latin culture, to trust is to share. But the United States has made no effort whatever to include Latin American concerns, ideas and feelings in its policy processes. Instead, the Reagan administration adopted the patronizing view that Washington knows best what will cure Latin ailments. ... If the U.S. government does not trust our judgement, why should we Latins trust yours.

Washington must shed its chronic derision of Latin American opinion and learn to trust....⁸⁷

The Bush administration's early signals toward Latin America have been positive. In sending Vice President Dan Quayle to the presidential inaugurations in Venezuela, Bush signalled that he views Latin America as a key region. His March 9, 1989 policy statement, allowing U.S. banks to write-off significant amounts of Latin American debt, shows a willingness to invest U.S. resources in the economic well-being of Latin America. His decision to end military support for the Contra and allow the electoral process to proceed in Nicaragua, evoked support from the author of the Arias Plan. In Aguilar's words, these acts of sharing could very well be the start of a U.S. policy that will regain Latin America's trust.

⁸⁷Zinzer, 6.

CHAPTER 3

TRADITIONAL NATIONAL INTERESTS

This chapter focuses on the national interests¹ that drove U.S.-Peruvian relations in the past. The four major traditional interests involved in U.S.-Latin American relations—security, economic, politico-ideologic and socio-humanitarian—identified in the previous chapter, serve as guidelines in this chapter's discussion.

The intent is to provide the reader with sufficient background on past U.S.-Peruvian relations for him to gain an appreciation for the contemporary interests discussed in subsequent chapters. Implicit in this intent is the need to emphasize the uniqueness of Peru's experience from that of the rest of Latin America. In this manner, the differences between the interests identified in the previous chapter and those that are peculiar to U.S.-Peruvian relations, if any, becomes clear.

The U.S. and Peru in the 1950s and 1960s

In the 1950s and 1960s, the politico-ideologic interests at play in the relations between Peru and the U.S. were anti-communism and nationalism. Anti-communism was more a U.S. security agenda, however. In this respect,

¹National interests are a state's wants and needs. In the context of the discussion in this paper, the term national interest includes as a subset, national objectives. See Glossary. Also "National Security: A Background Reading," P511: Joint and Combined Environments (Fort Leavenworth: U.S. Army Command and General Staff College, 1988), 20.

anti-communism as a factor in determining U.S. foreign policy, affected relations with Peru the same way it did the rest of Latin America.

As discussed in the previous chapter, the U.S. supported military regimes in Latin America because they proved to be staunch anti-communists and reliable supporters of U.S. policy. Peru became a strong U.S. ally inspite of having one of the more traditionally authoritarian governments in the Western Hemisphere.²

Initially, nationalism was a weak factor in determining Peruvian national interests. Upon taking power in 1948, General Manuel Odría banned the Communist Party and APRA,³ the two parties most likely to have invoked nationalism against the U.S. When nationalism with anti-U.S. complexion did surface in the late 1950s and the 1960s, it was in response to a perceived U.S. economic interventionism. It was not driven by purely ideologic reasons. Nationalism as a politico-ideologic interest was not a strong factor in U.S.-Peruvian relations until the late 1960s.

Economic interests played a major role in the relations between the U.S. and Peru in the 1950s and the 1960s. After WW II, Peru, like the rest of Latin America, experienced a recession as demand for her products lessened with the advent of peace. With the U.S. devoting her resources to Europe and to her new found role as leader of the free world, Latin American plea for economic assistance fell on deaf ears.

²By 1968, 47 her 71 presidents since independence in 1821, were military officers. In 1948 General Manuel Odría took power through a *golpe de estado* and ruled Peru until 1956. The period of civilian rule, from 1956 to 1968, was interrupted by the 1962-1963 *dictablanda* (soft dictatorship, so named because of its relatively sedate nature), and ended by a military coup in 1968. David Scott Palmer, Peru: The Authoritarian Tradition (New York: Praeger Publishers, 1980), 37-40.

³David P. Werlich, Peru: A Short History (Carbondale and Edwardsville, Illinois: Southern Illinois University Press, 1978), 248.

Somehow, Odria's policies alleviated Peru's economic problems. At the advice of a U.S. consultant, Peru abolished her foreign exchange tariff structure and devalued her currency, making her exports more competitive. She improved her credit rating by resuming service on foreign debt, after not having done so for a decade. With this new facade of fiscal responsibility and free market economy, Peru attracted foreign investors, primarily from the U.S.⁴

From 1950 to 1955, U.S. private investment in Peru went from \$145 million to \$300 million. The International Petroleum Company (IPC), a subsidiary of the Standard Oil of New Jersey, initiated oil explorations in Peru's high jungle and desert regions. Four U.S. industrial giants banded together and established a huge copper mining complex that, among other things, boasted the largest open-pit mine in the world. Two other U.S. firms formed the Marcona Mining Company to mine for iron ores. By 1960, U.S. investment holdings in Peru amounted to almost half a billion dollars.⁵

But, economic relations began to sour upon Odria's departure from office. U.S. plans to impose tariffs on Peruvian mineral imports, conflict over fishing rights off the rich Peruvian coast, and lengthy U.S. Congressional deliberations over Peru's requests to purchase merchant and naval vessels, were some of the issues that, in August, 1957, precipitated a scathing attack against the U.S. in Peru's Senate. So unusual was the intensity of the attack that it prompted the U.S. Embassy to cable a report to Washington.⁶ In fact, the immediate cause of the violent confrontation between Vice President Nixon and the students of

⁴Ibid, 241 and 250.

⁵Ibid. Also Palmer, 80.

⁶Telegram from the Chargé in Peru (Neal) to the Department of State dated August 22, 1957. Department of State, Foreign Relations, 1955-1957, Volume VII (Washington, DC: Government Printing Office, 1987), 1078-1079.

the University of San Marcos in Lima in May, 1958, was the U.S. plan to impose import tariffs on Peruvian lead and zinc.⁷

Security was the other driving force in U.S.-Peruvian relations in the 1950s and early 1960s. Peru had been one of the closest U.S. allies in South America. In WW II, Peru was one of the strongest U.S. supporters. Not only did Peru break relations with the Axis powers, she also allowed the U.S. to construct an airbase in the northern part of the country. Although she did not commit any troops, Peru declared war on the Axis powers.⁸ Of course, supporting the U.S. was beneficial to Peru. Lend Lease assistance allowed Peru to modernize her armed forces in terms of training and assistance.⁹

After the war, Peru continued to be a strong ally of the U.S. Peru was one of the first Latin American countries to enter a bilateral agreement with the U.S. under the terms of the National Security Act of 1951.¹⁰ In the 1950s and 1960s, as a consequence of the agreement, Peru became second only to Brazil in the number of military personnel trained in the U.S., and third only to Brazil and Chile in the amount of military grants received from the U.S.¹¹ By the 1960s, the U.S. military mission in Peru had 66 officers and enlisted men.¹²

As in the economic relations between the U.S. and Peru, major changes in the security relations began to occur in the 1960s. In 1963, the new president

⁷Werlich, 284-285.

⁸Richard F. Nyrop, editor, Peru: A Country Study (Washington D.C.: U.S. Government Printing Office, 1981), 220-221.

⁹Palmer, 76.

¹⁰Peru signed a bilateral military assistance agreement with the U.S. on April 26, 1952, after Ecuador, Cuba and Colombia signed agreements weeks earlier. Marvin G. Stottmire, "Measuring Foreign Policy: Determinants of U.S. Military Assistance to Latin America" (Doctorates Dissertation: Flce University, 1975), 32.

¹¹John Vickrey Yan Clevé, "The Political Use of Military Aid: The United States and the Latin American Military, 1945-1965" (Doctorates Dissertation: University of California, Irvine, 1978), 309.

¹²Nyrop, 224.

of Peru, Francisco Belaúnde Terry, threatened to expropriate the IPC. The Kennedy administration, hoping to influence Belaúnde, reacted by withholding economic aid promised Peru as part of the Alliance for Progress. Although the U.S. restored economic aid in 1966, the IPC affair had become a symbol of U.S. economic interventionism in Peru.¹³

In 1967, Peru sought to replace its aging fleet of F-80 fighter planes with more modern F-5s. The U.S. Congress took so long in deliberating whether to approve the sale that Peru angrily cancelled the order. Instead, Peru purchased Mirage fighters from France. Once again, the U.S. reacted by suspending economic aid. This time, Peru lashed back by expropriating the IPC.¹⁴ The Belaúnde government did sit down with the IPC to negotiate the terms of compensation and appeared to have reached terms favorable to Peru. However, shortly before the 1968 presidential elections in Peru, rumors that Belaúnde had conceded too much to the IPC resulted in a national political crisis. Most of Peru's normally fractious political parties united in condemning the incumbent leader. Factions within Belaúnde's own party, Action Popular, condemned the agreement. The cabinet resigned. The Army then staged a *golpe* (short for *golpe de estado*, or coup d'etat), exiled Belaúnde to Argentina, and established a "revolutionary government" that led Peru out of the U.S. sphere of influence.¹⁵

The Revolution from Above

The reforms instituted by General Juan Velasco Alvarado, and his *Gobierno Revolucionario de las Fuerzas Armadas* (GRFA, Revolutionary

¹³ Werlich, 289-294.

¹⁴ Ibid, 294. Nyrop, 224.

¹⁵ Werlich, 295-299.

Government of the Armed Forces), were as radical as any instituted in Latin America since Castro's Cuban revolution in 1959.¹⁶ In terms of U.S. interests, the changes instituted in Peru between 1968 and 1975 were profound and long lasting—in some cases, these changes continue to affect U.S. Peruvian relations, today.

Peruvian nationalism became a major politico-ideologic interest in the relations with the U.S. First, nationalism meant that Peru needed a foreign policy that promoted the interests of Peru, not the resolution of the East-West conflict favorable to the U.S. Thus, Peru established relations with the Warsaw Pact countries and China and ceased upholding the U.S.-sponsored OAS blockade of Cuba. Peru ceased being an automatic supporter of the U.S. in international forum and became a major voice in the struggle of developing countries against the industrialized countries.¹⁷

Peruvian nationalism also led to drastic changes in the economic order. Elimination of economic dependency on developed nations became a primary goal. Peru banded together with Chile, Bolivia, Ecuador and Colombia to form the Andean Group, a trade association akin to the European Common Market. More significantly, Peru signed economic agreements, to include trade, loans and technical assistance, with the U.S.S.R., the People's Republic of China and other countries of the Warsaw Pact.¹⁸

The GRFA nationalized the IPC within a week of the *golpe*. U.S. mining firms in Peru followed later. The government also moved to nationalize the financial system.¹⁹ As seen in figure 3, the government was fairly successful

¹⁶Nyrop, 39.

¹⁷Julio Cotler, "Democracy and National Integration in Peru," in The Peruvian Experiment Reconsidered, ed. Cynthia McClintock and Abraham F. Lowenthal (Princeton: Princeton University Press, 1983), 22.

¹⁸Werlich, 335-337.

¹⁹Werlich, 313, 318 & 330.

in reducing the hold of foreign investment while increasing the control of the public sector.

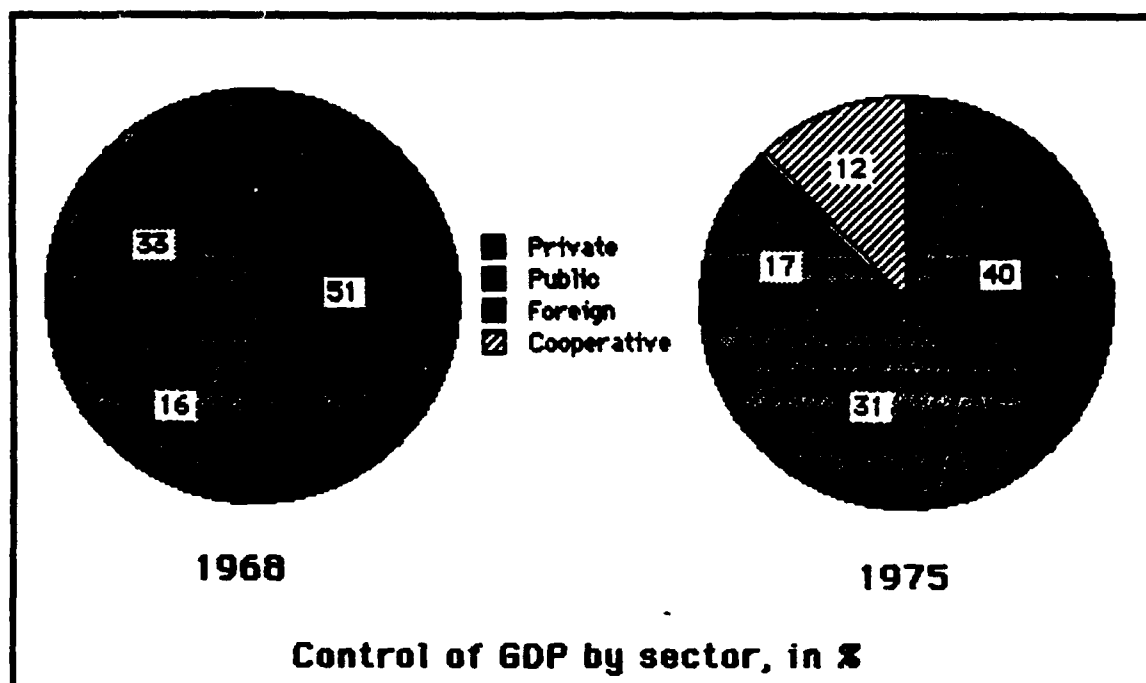


Figure 3²⁰

The 12% reflected as "Cooperative" in the 1975 data is the portion of the Gross Domestic Product generated by cooperative holdings. To the surprise of most, Velasco redistributed over 10 million hectares (1 hectare = 2.5 acres) to 340,000 families.²¹ Despite being a revolution from above, the Velasco regime instituted a land reform more sweeping than those previously instituted in Latin America by revolutions from below, with the exception of the Cuban revolution. By 1977, all large estates belonged to cooperatives owned and managed by the farm workers.²²

²⁰Data from E.Y.K. Fitzgerald, "State Capitalism in Peru: A Model of Economic Development and its Limitations," in *The Peruvian Experiment Reconsidered*, 70.

²¹Daniel M. Schydrowsky and Juan J. Wicht, "Anatomy of an Economic Failure," in *The Peruvian Experiment Reconsidered*, 103.

²²Susan Eckstein, "Revolution and Redistribution in Latin America," in *The Peruvian*

The GRFA's heightened consciousness for social reform went beyond land redistribution. The GRFA overhauled the social security system, to make a greater portion of the population eligible for benefits and to tie retirement pensions to age instead of years worked; established a program to make 235 of the most basic medicines available to the poor; and offered free prenatal and postnatal care to Peruvian mothers and their babies. The GRFA also sought improvements in women's rights, public housing, the education system, and conditions in the slum areas of Lima.²³

Inevitably, the revolutionary government steered Peru's security interests away from dependency on the U.S. In 1969, Peru seized U.S. fishing boats that were working the waters within 200 miles of the Peruvian coast. The U.S. retaliated by cutting off arms sale. In response, Peru asked the U.S. to close her military mission. Since, the Soviets have become the major supplier of the Peruvian Army and Air force.²⁴

Several factors prevented a drastic U.S. reaction to the GRFA's radical reforms. First, the 1968 *golpe* coincided with a U.S. national election that resulted in the election of a president determined to reduce U.S. involvement in Latin America in the wake of the failed Alliance for Progress and in the effort to end the Vietnam War. Second, the GRFA kept negotiation channels open to discuss compensations for U.S. firms appropriated by the government. In fact, with the exception of the IPC, Peru made just compensations for the companies she appropriated. Thus, U.S. investors in Peru urged the U.S. Government not

Experiment Reconsidered, 361-364.

²³Werlich, 325-329.

²⁴Nyrop, 224. Also, General Fred F. Woerner in U.S. Congress, House, Appropriations Committee, Hearings on Department of Defense Appropriations for 1989, 100th Cong., 2d sess., 4 February 1988, 23.

to invoke the Hickenlooper Amendment, which would have required economic sanctions similar to those being directed against Cuba.²⁵

Also, Peru became victim of two natural disasters that would have made economic sanctions internationally unpopular. In May, 1970, a tremendous earthquake killed close to 70,000 Peruvians. Shortly thereafter, the *El Niño* current resulted in the disappearance of fish from the Peruvian coast for two years. It also caused heavy rains in arid areas, leading to extensive flooding and damage.²⁶ U.S. humanitarian reaction to these disasters, that included personal efforts by the First Lady, favorably impressed Peruvian officials, leading to increased dialogue between the U.S. and Peru.²⁷

The 1973 OPEC oil embargo, also contributed to the muted U.S. reaction to Peru's radical shift. With the realization that U.S. economic welfare can be held hostage by the concerted effort of the oil-producing nations, Peru, like the rest of Latin America, took on renewed importance as a secure source of strategic materials.

In 1975, Velasco was replaced by General Francisco Morales Bermudez Cerrutti. Although Morales Bermudez promised to continue the revolution started by Velasco, he ended up undoing some of the previous regime's "gains." The new regime reduced the scope of the land reform program, sold some government-owned businesses, and purged the government of left leaning officials. Peru also moved to pay compensation for the U.S.-owned Marcona Mining Company and other appropriated firms, and to reduce its anti-U.S. rhetoric.²⁸ Not surprisingly, relations with the U.S. began to normalize.

²⁵Werlich, 330-331.

²⁶Nyrop, 68-69.

²⁷Werlich, 337.

²⁸Nyrop, 54-57.

However, Peru's security interest remained entangled with the Soviet Union. In 1976, as the centennial anniversary of the War of the Pacific approached, Chile proposed to give Bolivia, as access to the sea, a strip of land formerly belonging to Peru.²⁹ Not surprisingly, Peru objected to the proposal. At the same time, Peru negotiated a massive arms purchase with the Soviet Union that included tanks and fighter-bombers. Along with the arms purchase, Peru sent several of her officers to the Soviet Union for training. Anticipating a Peruvian attempt to regain lost territory, Chile responded with arms purchases as well.³⁰

As it turned out, the military clash that resulted was not with Chile, but with Ecuador. The clash with Ecuador had its roots in a border dispute in 1941. The Brazilian-U.S. sponsored treaty, the Rio Protocol of 1942, favored Peru, and has been a subject of Ecuadorian protest, since. The border dispute flared into a 5-day war in January, 1981. Hostilities ended with a cease fire that the U.S. helped arrange.³¹

Economically, the regime of Morales Bermudez experienced upheaval not uncommon among debtor nations. Ambitious social programs and increased arms purchases had to be financed. The economic downturn that resulted from the El Niño and the government's own flawed fiscal policies meant that money would increasingly be provided by outside sources. In 1976, Peru sought monetary loans from the IMF. Part of the conditions Peru had to meet in order to qualify for IMF loans was a series of belt-tightening measures. The measures caused major disturbances, prompting Morales Bermudez to

²⁹The War of the Pacific, 1879-1883, ended with Peru losing extensive territory to Chile. Although Peru regained some of its territory as a result of a U.S. sponsored treaty in 1929, two former Peruvian provinces, Tarapacá and Arica are still under Chilean control today. In this same war, Bolivia lost its access to the sea when Chile took over the province of Antofagasta. Nyrop, 24-26.

³⁰Nyrop, 56-57, 204-205, 225. Werlich, 366.

³¹Ibid, xxi & 31-32.

reasses his position. Apparently, part of the reassessment results was the military's own lack of ability to govern. In February, 1977 the GRFA announced that it would restore civilian rule in 1980.³²

Return to Constitutional Democracy

In 1978, Peru elected representatives to the assembly tasked to formulate a new constitution. Victor Raúl Haya de la Torre, founder of the APRA party, garnered the most votes and became president of the constitutional assembly. More significantly, Marxist parties garnered 37% of the votes, out polling the parties to the right which received less than 30%.³³

In July, 1979, Peru ratified a new constitution that defined the framework of the incoming civilian government. Some of the salient aspects of the new constitution are: the definition of a national territory that includes the oceans 200 miles off the Pacific coastline and the airspace over these waters; the adoption of the native languages of Quechua and Aymara, along with Spanish, as official languages; the guarantee to a wide range of human rights, to include freedom of free expression, right to peaceful assembly, habeas corpus, and freedom from inhumane treatment; and the separation of church and state. The 1979 constitution specifically guaranteed the "economic pluralism" established by the GRFA. It tasked the state to eliminate illiteracy and poverty. It specifically directed the government "to promote the economic, political, social, and cultural integration of the people of Latin America."³⁴

Shortly after the ratification of the constitution, Haya de la Torre died. The ensuing power struggle within APRA, eventually cost Peru's preeminent

³²Ibid, 180-181.

³³Paul P. Saba, Political Development and Crisis in Peru: Continuity in Change and Crisis (Boulder: WestView Press, 1987), 69-70.

³⁴Nyrop, 172-173.

political party the presidency in the May, 1980 elections.³⁵ Peru elected Belaúnde to be the next president. In returning the same man that Velasco deposed in 1968, the Peruvians also symbolically rejected the military's *docenio* (twelve-year reign).

Belaunde responded by picking up where he left off eighteen years earlier. One of his first acts was to restore freedom of the press. He quickly turned to private investment and market-oriented policies as the tools for economic stability. As in the 1960s, the development of the national infrastructure became important to the Architect-President. At the same time, he sought the development of Peru's virgin Amazonian frontiers, by emphasizing colonization and construction of roads of penetrations. Not unlike Velasco, Belaúnde regarded humanitarian goals such as construction of low-income housing, literacy and education among his most important goals.³⁶

But, events conspired to insure that Belaúnde would fail in his endeavors. The El Niño returned and spawned a series of natural disasters, causing over \$1 billion in damage.³⁷ International market forces resulted in a 40% drop in the price of Peru's exports. He still had to service the \$9 billion foreign debt he inherited from the GRFA. Worse, inflation increased as the nations industrial output decreased. In 1983, Peru's GDP actually plummeted 11.2%. By the end of Belaunde's term, inflation had reached 250% and per capita income had fallen to levels of the mid 1960s.³⁸

Adding to Belaúndes multi-faceted problem, the *Partido Comunista del Perú en el Sendero Luminoso de Mariátegui* (SL, The Communist Party of

³⁵Saba, 71.

³⁶Ibid, 72-73.

³⁷Ibid, 75.

³⁸Ibid, 74-75. Also, David P. Werlich, "Debt, Democracy and Terrorism in Peru, Current History," Current History (Jan 1987): 29.

Peru in the Shining Path of Mariátegui) started their violent insurgency in the mountainous province of Ayacucho on the same day he was elected. During Belaúnde's term, the SL conducted a systematic program of bombings and murders aimed at the government. By 1985, the SL had caused an estimated \$1 billion in damage.³⁹

The death toll of about 8,000, on both sides, by 1985,⁴⁰ underscores the violence, not only of the SL insurgency, but of the government's effort against it. When the police proved inadequate against the SL, Belaúnde tasked the military to end the insurgency. The military's effort resulted in the Belaúnde government being accused by national and international organizations of human rights violations.⁴¹ Accusations ranged from claims of hundreds of *desaparecidos* (individuals who have vanished under suspicious circumstances) to alleged massacres of entire villages.⁴²

From the ruins of Belaúnde's administration arose the leftist political parties of Peru. Having learned their lesson from the 1980 elections, the fractious left banded together to form the Izquierda Unida (IU, United Left). In the November 1980 municipal elections, IU fared well in the provinces and even won control of major towns such as Huancayo, Puno and Arequipa. In the November 1983 municipal elections, Alfonso Barrantes Lingín, the IU candidate, became the first Marxist mayor of a Latin American capital city by winning in Lima. The IU candidate also won in Cuzco, the ancient capital of the Inca Empire. Of the four running for mayor of Lima, the AP's candidate came in last.⁴³

³⁹Saba, 76.

⁴⁰Werlich, "Debt...", 29. The Americas Watch estimated the death toll to be about 4,000 through 1984. In Saba, 75-76.

⁴¹Saba, 75.

⁴²Werlich, 29.

⁴³Saba, 72-75.

The shift in the political fortune of the APRA was even more dramatic. In the April 1985 national elections, APRA's Alan García Perez, won the presidency with 46% of the votes. His closest opponent, IU's Barrantes, won 21%. The AP's candidate managed just 6% of the votes.⁴⁴

APRA: The First Three Years

On July 28, 1985, Alan García Perez, at the age of 35, assumed the presidency. The first president from the APRA, the oldest of Peru's existing political parties, he has the burden of finally proving Victor Raúl Haya de la Torre's boast that "only APRA can save Peru." During his inauguration speech and true to his anti-imperialist APRA roots, García appealed for a united Latin America in dealing with the U.S., "the richest and most imperialist nation on earth."⁴⁵

He quickly established that his "radicalism" went beyond rhetoric. He joined Argentina, Brazil and Uruguay to form the Contadora Support Group. He declared that Peru will service her foreign debt with no more than 10% of the foreign exchange earnings.⁴⁶ He campaigned for and received the vice-chairmanship of the Non-aligned Movement. While he initially developed an adversarial relationship with Castro,⁴⁷ he has also favored closer relations with the Soviets, allowing the construction of a Soviet base in Chimbote.⁴⁸ He completely nationalized the financial system in order to "promote democracy in Peru, and prevent the concentration of power in certain sector[s]... "⁴⁹

⁴⁴ibid, 77-78. Werlich, 30.

⁴⁵Florden Root, "Peru: The Message from García," Foreign Affairs 64/2 (Winter, 1985/86): 278-279, 284.

⁴⁶ibid, 283-284.

⁴⁷ibid, 285.

⁴⁸interview with ex-APRA congressman, Alfredo Bamechea, in Mariella Balbi, "Un paso al frente," Caracas 1-49 (8 Feb 1988): 22-25.

At the same time, he championed causes that promote U.S. interests in the region. He advocated an end to the regional arms race and took steps to cut down his country's arms purchases.⁵⁰ He resumed Peru's active fight against drugs, resulting in the destruction of about \$ 5.6 billion in cocaine.⁵¹ He has allowed extensive U.S. Drug Enforcement Agency operations in Peru.⁵² He championed human rights issues, even in the fight against terrorists. In the process, he rid the military of top generals perceived too harsh. He also dismissed 1,300 corrupt police officers in the process.⁵³

García's economic policy contrasted sharply with that of the previous administration. He abandoned Belaúnde's free-market approach. He resorted to a series of state controls such as price, wage and rent freezes. He banned the import of 239 items and devalued the *sol*.⁵⁴ He reduced government expenditures by closing some embassies, selling some state corporations, cutting down on arms purchases and imposing higher taxes on foreign firms. He expropriated the U.S.-owned Belco Petroleum when it refused to agree to higher taxes.⁵⁵

The economy improved rapidly. The GDP jumped by 22% during García's first two years in office.⁵⁶ Inflation fell from 158% in 1985, to 63% in 1986.⁵⁷ Not surprisingly, the public responded favorably. In the November,

⁴⁹ Alan García Pérez, state of the union speech given 28 July 1988, in "On Peru's Future: Alan García Pérez, Mario Vargas Llosa, Rolando Ames," World Policy Journal Y14 (Fall, 1988): 753.

⁵⁰ Saba, 78.

⁵¹ Roett, 281.

⁵² Michael Isikoff, "Drug War in Peru Widened," Kansas City Times, 23 January 1989, B6.

⁵³ Saba, 79.

⁵⁴ Sol was Peru's currency until January, 1986 when the inti (equal to 1,000 soles) became the official currency.

⁵⁵ Werlich, 31.

⁵⁶ Elizabeth Farnsworth, "Peru: A Nation in Crisis," World Policy Journal Y14 (Fall, 1988): 76.

1986 municipal elections, the voters delivered the mayorships of Peru's major cities, to include Lima, to APRA. Even after the inflation rate climbed back up to over 100% in his second year in office, García continued to enjoy popular support. In a June, 1987 poll conducted by the popular magazine, Carretas, 44% of those polled believed that their lot had improved in the first two years of García's administration, while only 22% claimed that their life had worsened.⁵⁸

It looked like Peru was going to succeed, after all, as a constitutional democracy and outside of the U.S.'s sphere of influence.

Summary

Not unlike U.S. relations with the rest of Latin America, past U.S. relations with Peru were influenced by politico-ideologic, economic, humanitarian and security interests. In Peru, these interests took on a nature increasingly unique as a result of the military *docenio*.

Nationalism and non-alignment became the two major politico-ideologic factors that shaped Peru's relations toward the U.S. Primarily, nationalism meant that Peru's foreign policy must pursue what was good for Peru. At times, nationalism meant that Peru had to confront U.S. interests in the international arena. Ironically, this led to a deepening relations with the Soviet Union. It also led to Peru's leading role in the non-aligned movement, another area where confrontation with the U.S. was inevitable.

Economically, nationalism meant the reduction of dependency on foreign investments. This approach led to the nationalization of several U.S. owned companies. Attempts by the Belaúnde government to reverse the GRFA reforms failed to take root, as a combination of events caused the failure of his market-

⁵⁷Saba, 78.

⁵⁸"Mar de fondo: inflación amenazante," Carretas, 25 January 1988, p. 19.

oriented economic policies. Garcia limited payments to Peru's growing foreign debt. This act became a source of national and Third World support for Garcia. He also returned to a state-controlled economy, leading the country to a dramatic recovery during the first two years of his term.

The pursuit of humanitarian and social goals became a distinguishing trait of Peru's policies of the 1970s. The GRFA's energetic implementation of land reform and other social programs earned Peru's military establishment a unique position, apart from other Latin American military institutions, as a force for reform. During the Belaúnde regime, social goals remained important but emphasis was on the development of national infrastructure. Garcia has renewed the emphasis on socio-humanitarian goals.

Equally unique was Peru's approach to its security concerns. Driven towards militarization by conflicts with neighbors, Peru sought to avoid the scrutiny and deliberate process that were part of purchasing arms from the U.S. Although Peru sought arms from various European countries, she ended up buying most of her weapons from the Soviet Union, leading to even closer ties with the U.S.S.R. and other communist nations. Ironically, a Maoist group became a significant source of threat to Peru's security in the 1980's.

U.S. response to the dramatic changes in Peru was itself unique. The Peruvian revolution directly challenged U.S. security and economic interests in Latin America. Yet, U.S. response was surprisingly benign. Eventually, the response succumbed to forces of tolerance as Peru's own actions failed to match the force of her rhetoric.

In retrospect, the return of constitutional democracy seems to prove the neutral U.S. response correct. At the same time, Peru seems to have drifted permanently out of the U.S. sphere of influence.

CHAPTER 4

CONTEMPORARY NATIONAL INTERESTS

A document that captures U.S. declared interests and objectives is the yearly congressional presentation. However, congressional presentations, because of their multi-country scope, present only the highlights of U.S. policy. They may not mention interests which appear trivial in the context of the U.S. worldwide responsibilities, although such interests may be significant in the context of specific bilateral issues. Because of their broad-brush approach, these presentations do not elaborate on the significance or details of the interests they do mention.

Corresponding documents, that clearly enunciate Peru's interests in her relations with the U.S., do not exist. The 1979 constitution and other legislation do address or imply Peruvian national interests, but in a general sense. Pronouncements by officials of the Peruvian government are possible sources of specific declared national interests. Such sources, because they are often politically motivated, may be inaccurate and should be verified against actual events.

This chapter seeks to bridge the gap between the ambiguities of declared national interests and the specific knowledge and understanding required to properly evaluate the thesis question. The analysis already completed in the previous chapters should provide the substructure to support this chapter's objective. The analysis of current events will be the

superstructure. A review of the major issues involved in present U.S.-Peruvian relations—the anti-U.S. rhetoric of the APRA administration, Peru's delinquency in paying her debts, the growing insurgency problem, and the U.S. war against drugs—will provide the missing elements needed to arrive at a firm understanding of the contemporary national interests affecting the relations between the U.S. and Peru..

Declared U.S. Interests

The Congressional Presentation for Security Assistance for Fiscal Year 1989 indirectly, but consistently frames U.S. interests in Peru in politico-ideologic, economic, security and socio-humanitarian terms. The fundamental, declared U.S. interest in Peru is ideologic—to support democracy. Economically, this translates to the interest of “improve[ing] dialogue on management of its [Peru's] economic and debt crises,” providing development assistance, and encouraging structural reforms to revitalize the private economic sector. In terms of security, the U.S. declared interests are to counter “the largest Soviet presence in Latin America outside of Cuba and Nicaragua,” and assist in Peru's fight against terrorism. Another U.S. declared interest is to encourage respect for human rights. Lastly, the U.S. also desires to support Peru's anti-narcotic effort, a socio-humanitarian interest not previously identified in this paper.¹

However, the actual FY89 Foreign Assistance seems to paint a different picture of U.S. interests from that described above (Figure 4). If the amount of money to be invested reflects the priority accorded each U.S. interest, then the most important interests the U.S. has in Peru are economic and humanitarian.

¹Congressional Presentation for Security Assistance, Fiscal Year 1989 (Washington, DC: Government Printing Office, 1988), 285.

SUMMARY OF REQUEST FOR FOREIGN ASSISTANCE TO PERU, FY89 (in thousands of dollars)

MILITARY:

Foreign Military Sales Credit Prog 0
 Military Assistance Program 0
 Intl Mil Education and Tng Prog 560

ECONOMIC

Economic Support Fund 2,000
 Developmental Assistance 15,270
 P.L. 480 25,904
 Peace Corps 0
 Intl Narcotics Control 10,000

TOTAL FOREIGN ASSISTANCE 53,734

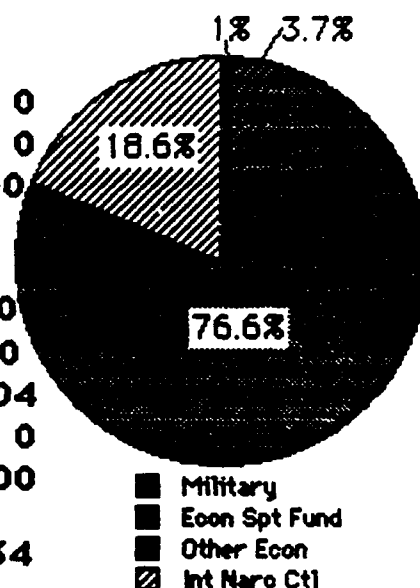


Figure 4²

The lion's share of the FY89 Foreign Assistance request goes to the Food for Peace program, or PL-480. Actually, PL-480 is not given in currency but in food from the U.S. Department of Agriculture stockpile. In this sense, it is money already spent on subsidies already given to U.S. farmers. Thus, PL-480 dollars should not be compared with the dollars of the other categories. Nonetheless, it is worthwhile to examine U.S. intentions behind the Food for Peace Program.

The objective of the Food for Peace program is the provision of the minimum nutritional needs of the poor. Thus, the program advances U.S. humanitarian interests in Peru. At the same time, since PL-480 assists Peru's balance of payment by reducing food imports, PL-480 also advances the

²ibid, 287.

economic interests of Peru. In the sense that a healthy economy leads to stability, PL-480 also advances our security interests in the region.³

Similarly, the \$15 million in Developmental Assistance, although directly used to fund programs in population control, rural development, education and human resource development, and nutrition, serve U.S. security interests by promoting Peru's economic stability.

AID Sponsored Projects in Peru

<u>Project Number</u>	<u>Title & Description</u>
527-0240	The Central Selva Resource Management. To help protect forests and soils in the Amazons.
527-0221	Rural Water and Environmental Sanitation. Providing potable water to rural areas. Goal is 1,200 systems.
527-0313	Andean Peace Scholarship. Training in the U.S., for members of the disadvantaged group, on agriculture, health, and private sector development.
527-0303	Administration of Justice. Improve the legal, technical, and administrative performances of judicial institutions.

Table 1⁴

The \$2 million Economic Support Fund (ESF) also promotes U.S. security interests by promoting Peru's economic stability. In this case, it does so by making it easier for governments to "mitigate the adverse short-term effects"

³U.S. Congress, House, Appropriation Committee, Prepared Statement of Dwight A. Ink, Assistant Administrator, Bureau for Latin America and the Caribbean, Agency for International Development, Before the Foreign Operations Subcommittee, 100th Cong., 2d sess, 22 April 1988, 29.

⁴Agency for International Development, Congressional Presentation, Fiscal Year 1989, Annex III: Latin America and the Caribbean (Washington, DC: Government Printing Office, 1988), 327-331.

of reforms needed to adopt a market-oriented, private sector-supporting economic system.⁵

Politico-ideologic and humanitarian interests are also behind the economic assistance outlay. Two of the four goals the AID hopes to achieve with economic assistance are: a "broad-based participation in the benefits of growth," that leads to "greater access to health care, education, and social services"; and, the "strengthening of democratic institution and respect for human rights."⁶ Table 1 lists selected AID-funded projects.

If security is such an overriding consideration, then why allocate just 1% of the Foreign Assistance request towards military assistance? In part, the answer lies with Peru's decision to buy arms from other than U.S. sources. Also, it lies with the inability of the U.S. to compete with other arms suppliers.

Peru's present tendency to purchase arms from other than the U.S. is a continuation of the policy, initiated during the *docenio*, to lessen the dependency on the U.S. Whereas the Soviets provided Peru \$525 million in military equipment between 1978 and 1982, the U.S. supplied just \$60 million in the same period.⁷

To a lesser extent, the trend continued through the 1980s (see Figure 5). Due to her foreign debt problems, Peru has difficulty refusing Soviet "creative financing schemes." For example, Peru is constructing several fishing vessels for the Soviets as partial payment for military equipment.⁸

In contrast to Soviet flexibility, the U.S. has been rigid and restrictive in dealing with Peru's security "needs." Peru is subject to legislative sanctions,

⁵Ink, 24.

⁶Ink, 2.

⁷Paul P. Saba, Political Development and Crisis in Peru: Continuity in Change and Crisis (Boulder: Westview Press, 1987), 116.

⁸Woerner, 23-24.

imposed by the U.S. Congress, any time she is delinquent in her debt payments, or if she fails to demonstrate sufficient resolve in eradicating coca plantations. In the past two years, these sanctions caused Peru to lose millions of dollars in U.S. security assistance. She was only able to use \$547 thousand of the \$1.55 million in IMET funds, and none of the \$23 million MAP funds appropriated for FY 87 and 88.⁹

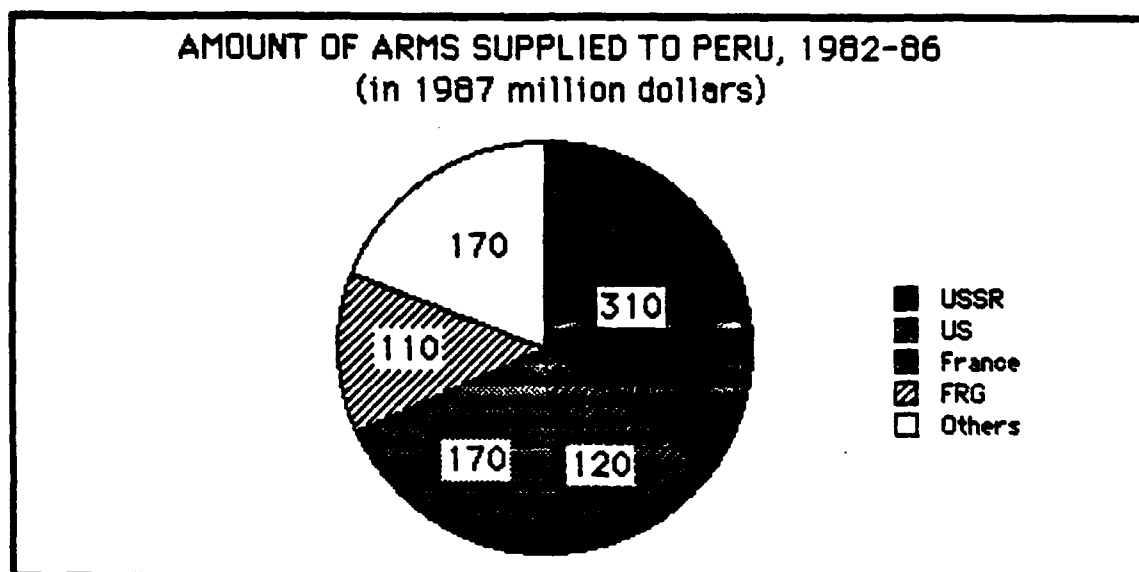


Figure 5¹⁰

The U.S. commitment to a regional arms reduction is another reason for the absence of MAP grants to Peru. This commitment requires a reduction in the types of weapon systems that Peru's neighboring countries would regard as threatening. Unfortunately, as evidenced by the weapon systems Peru has

⁹Data from Congressional Presentation, ... FY 89, 20-26; ... FY 88, 212; and ... FY 87, 63 and 66.

¹⁰United States Arms Control and Disarmament Agency, World Expenditures and Transfers, 1987, edited by Daniel Golik (Washington, DC: US Government Printing Office, 1988), 115.

acquired from the Soviet Union, the Peruvian military desires those very weapons the U.S. would rather not provide.

IMET Projects in Peru

<u>Project</u>	<u>Purpose</u>
Project "INTI", Ph III Language Training Labs	Develop PSYOP plan for Peruvian Army. Delivery of 3 laboratories for English instruction, w/ 4 sets of spare parts.
Familiarization Visit	Provide insight on U.S. training techniques of small elite and light infantry units in an LIC environment.
COIN Campaign Design	Prelim planning of COIN campaign; PSYOP principles and human rights concerns
Directors' Visit	Branch school directors' visits to US branch schools

Table 2¹¹

In spite of the paltry amount in military assistance request for Peru, U.S. security interests in Peru should not be underestimated. The concern shown during the congressional hearings on the FY 89 Foreign Assistance request, over the fact that Peru has more Soviet military advisers than any other country in Latin America, except for Cuba, underscores the significance of U.S. security interests in Peru.¹² The U.S. is also concerned with Peru's insurgency problem. The IMET program (Table 2) provides training to assist in Peru's counter-insurgency effort.¹³

¹¹Project listing entitled, "USMAAG-PERU Major (Non-FMS) Projects," Lima, Peru, 14 Dec 1988.

¹²Peru has 115 Soviet military advisers while Cuba has about 2800 and Nicaragua has 50 to 75. Woerner, 22.

¹³Congressional Presentation.... FY 89, 286.

Despite the military nature of the IMET program, it has politico-ideologic and humanitarian objectives, as well. IMET serves as a tool to expose indigenous military officers, not only to the U.S. military system, but also to the American way of life. The intent is for the officer to adopt some of the U.S. military and social values, making him more professional in the process. Two such values the Latin American officer hopefully adopts are the primacy of civilian institutions over military institutions and a sense of civic responsibility toward the community. The objective is to promote stability through a "professionalized" army committed to democracy.¹⁴

Declared Peruvian Interests

The 28th day of July is one of Peru's most revered holidays. It was on this day, in 1821, that General José de San Martín proclaimed Peru's independence from Spain. Today, new presidents make their inaugural speech on this day to begin their five year term. It is also on this day that incumbent presidents deliver their annual state of the nation address.

In the 28 July 1987 address, García announced that the entire financial system of Peru would be nationalized. What followed was a series of political and economic events that spelled disaster for García.¹⁵ Only six months after the speech, a Carretas poll indicated that only 33% of those polled felt that two years of APRA rule had improved their lives while 38% felt their lot had deteriorated. This represented a change by 11% and 16% respectively from the results of an identical survey conducted six months earlier.¹⁶

¹⁴Congressional Presentation..., FY 89, 286.

¹⁵Elizabeth Farnsworth, "Peru: A Nation in Crisis," World Policy Journal Y14 (Fall, 1988): 729.

¹⁶"Mar de fondo: inflación amenazante," Carretas, 25 January 1988, p. 19.

More significantly, García's move galvanized the conservatives in Peru. Mario Vargas Llosa, an internationally acclaimed Peruvian author, organized a movement against the nationalization of banks. *Libertad*, as the movement became known, merged with Belaúnde's AP and the *Partido Popular Cristiano* (PPC, Popular Christian Party) to form the *Fronte Democrático* (FREDEMO, Democratic Front). FREDEMO is successfully mobilizing support as a non-Aprista, non-communist alternative in this year's municipal elections and the 1990 national election.¹⁷

While García took fire from the right for going too far, he also took fire from the left for not going far enough. Branding García as a *caudillo* (the classic Latin American strongman), the leftist IU claims that he is trying to solve the problem alone, while at the same time running a "reformist government without reforms."¹⁸

Even García's own APRA party could not keep a united front. The Prime Minister, Luis Alva Castro, resigned over the nationalization issue, causing the dissolution of the cabinet. The new cabinet, under revered APRA patriarch Larco Cox, lasted barely half-a-year before it too had to step down under the pressure of a failing economy.

Accusations that the adverse events seem to be pushing García to the left have become common. García's new prime minister, Armando Villanueva, is not only known for being the APRA's losing presidential candidate in 1980, he is also from the more radical faction of the party. Villanueva supposedly espouses the idea that APRA should "seek brotherhood with the communist parties abroad."¹⁹ García himself has provided fuel to the accusation that he is

¹⁷"Conversando del frente," *Correos*, 25 Jan 1988, p. 18.

¹⁸Javier Iguíñez, an IU leader, in Farnsworth, 735.

¹⁹Interview with ex-APRA congressman, Alfredo Bamechea, in Mariella Balbi, "*Un paso*

drifting towards "Mariátegui's lit path." In a speech to the *Juventud Aprista* (APRA's youth wing), he disparaged the older members of the party for lacking revolutionary zeal, while he encouraged the youth to emulate the Sendero's fanaticism. He then referred to the current political framework, one dominated by his own party, as a "bourgeois parliamentary democracy."²⁰

It was a beleaguered García, who made the 28 July 1988 state of the nation address. As always, he opened with the obligatory anti-imperialist rhetoric. He called for national unity "so that the great powers do not find us divided and weak." But quickly, he changed his focus from that of repelling outside forces to that of solving the two biggest challenges Peru faces today—terrorism and the deepening economic crisis.²¹

García identified terrorism as the the greater challenge of the two problems. In terms of the interest framework previously established in this paper, García's discussion of the terrorism problem encompassed interests that are security, politico-ideologic, and socio-humanitarian in nature. His prescription for terrorism is: laws that will make it easier to arrest, detain, and convict terrorists (security); fewer attacks on the military and the police, and more appreciation for what they are doing to combat terrorism (security); more responsible reporting in the part of the press (politico-ideologic); more effective action against drug traffickers, who are often terrorists themselves (security); and, elimination of racial prejudices and discrimination, and better education that immunizes the people against "foreign ideologies and cultural models" by instilling democratic principles (socio-humanitarian).²²

al frente, "Correos 1-49 (8 Feb 1988): 22-25.

²⁰Farnsworth, 731.

²¹Alan García Pérez, state of the union speech given 28 July 1988, in "On Peru's Future: Alan García Pérez, Mario Vargas Llosa, Rolando Ames," *World Policy Journal* VI/4 (Fall, 1988): 747 & 751.

²²*ibid.*

A significant aspect of this prescription is the emphasis on direct measures, both judicial and military, against terrorists. In contrast, the 1985 speech emphasized indirect humanitarian and economic measures. Also, it is evident that García has placed a higher priority on the fight against narco-traffickers.

With respect to Peru's financial crisis, García revealed Peru's economic, politico-ideologic, and socio-humanitarian interests. García started his discussion of Peru's economic situation by denying that there is an economic crisis. He pointed out that what exists is a political maneuver by the opposition to portray the slowing of economic growth as a portent of disaster to come. He then proposed a two part solution: one to address the economic slow down, and the second to resolve political disunity.

To return to a robust growth, García proposed several measures to bolster Peru's foreign exchange structure and production sector. He insisted that Peru continue limiting its foreign debt payment and channelling the "savings" to support Peru's industries, thus making possible a continued high level of internal consumption; that the policy of a multi-exchange rate system must be continued so that Peruvian exports can be more competitive and the basic production sectors such as agriculture and housing can expand without unnecessarily depleting the nation's dollar reserves; that the budget deficit must be lessened by cutting back on expenditures that are not urgent while increasing tax revenues through reforms that affect all sectors; and lastly, that the above measures must not burden the poor.

García insisted that the above measures would not work in an atmosphere of national discord, such as the one that exists today. He assailed those who have vehemently opposed the nationalization of the banks as

working for the privileged, at the expense of the poor. He defended bank nationalization as needed to prevent the "monopolistic trends linking production and credit," and to promote a regional system of banking, where the capital generated by a region is invested in the region.

To have a united approach in planning for Peru's economic future, García proposed the formation of a "national economic congress." An old Haya de la Torre concept, the national economic congress is where the state, capital and labor can join together "to formulate and evaluate development plans, technical standards, and [the] national budget." García added that the national economic congress needs to promptly agree on "the goals of investment, the level of prices, and the level of wages," since these three issues are at the heart of the current national discord. He insisted that the national economic congress must include representatives of "the cooperative movement, the peasant communities, and informal workers."²³ Lastly, he emphasized that national disunity leads to "advances for terrorism and for the economic theories propounded by international bodies like the International Monetary fund," and that the national economic crisis is the Aprista proposal for an "anti-imperialist drive for development."

García concluded his speech by stating that the "national future" lies with democracy, and that he will continue to work for "national independence, for regional democracy, for social justice, and for freedom."

National Interests and Contemporary Issues

The final step in defining the national interests involved in contemporary U.S.-Peruvian relations is to look at the issues that currently dominate the

²³Informal workers are the people, such as street peddlers and unlicensed transportation operators, who make their living outside of the government's regulatory and tax rules.

interaction between the two nations. The purpose is to confirm each nation's commitment to their respective declared interests. As the cliché goes, "Actions speak louder than words."

The first issue is García's propensity for anti-U.S. rhetoric. Aside from the examples already cited, an area where the U.S. has been the butt of García's ire is Central America. Not only does he oppose U.S. support for the *contra*, he has repeatedly declared that Peru will help defend Nicaragua against foreign invaders.²⁴

To understand García's motives, it is necessary to return to the discussion in Chapter 2. The U.S. historical baggage is such that in Latin America, anti-U.S. posturing is a means of consolidating support. Both Noriega and Ortega have shown that the threat of U.S. intervention is a strong opiate that somehow strengthens national tolerance toward internal ills. At the same time, the experience of El Salvador's Duarte demonstrates how admiration for the U.S., when publicly acknowledged, can become a political liability.

There is no doubt that part of García's motive in regularly lambasting the U.S. is political—to gain support and to draw attention away from his nation's ills. In the first two years of his presidency, García did succeed in this regard.²⁵ However, there is no evidence suggesting that García's hostility goes beyond the lectern. Peru does not have sufficient resources to support García's rhetoric on Central America. García has also softened his hard stance toward the U.S.²⁶ Clearly, at a time of increasing need for external support, Peru's interests dictate a more conciliatory approach toward the U.S.

²⁴Eduardo Ferrero Costa, "Peruvian Foreign Policy: Current Trends, Constraints and Opportunities," *Journal of Interamerican Studies and World Affairs* 29/2 (Summer, 1987): 66-68.

²⁵*ibid.*

²⁶*ibid.*, 69.

What should the U.S. response be to García's hostile posturing? For the most part, the U.S. has ignored García's anti-U.S. rhetoric. In the sense that Peru has remained non-aligned despite the forces that keep tugging her to the left, the U.S. policy of ignoring all the polemics has been a success. Indeed, U.S. politico-ideologic interest is best served by upholding Peru's democratic government, despite García's hostile speeches.

Peru's approach toward her foreign debt problem demonstrates that García's belligerence is superficial and on the wane. The foreign debt issue is a case where Peru's declared interests differ from those which she has pursued. Since his inauguration, García has insisted that Peru will not pay more than 10% of her export income toward her foreign debt. In fact, Peru has paid at a rate of about 20% her export earnings.²⁷ At the same time, despite García's declarations to the contrary,²⁸ Peru has started to negotiate debt repayment terms with the World Bank and the creditor-nations.²⁹

Indeed, Peru has voluntarily imposed an austerity program at home, similar to those that the International Monetary Fund would prescribe, in order to qualify for credit with the World Bank, Inter-American Development Bank, and the Andean Reserve Fund.³⁰ With her foreign reserves exhausted and income from her exports falling, it is clear that in order to sustain a modicum of economic growth, Peru needs to borrow money. It is therefore in her economic interest to maintain financial ties with creditor nations, to include the U.S.

It is consistent with U.S. interests to encourage Peru's conciliatory overtures. U.S. response to García's past belligerence vis a vis foreign debt

²⁷Farnsworth, 726.

²⁸García, 754.

²⁹David P. Saybolt, "A Debtor's Dilemmas: An Interview with Peruvian Finance Minister Gustavo Saberbein," The Fletcher Forum 12/1 (Winter, 1988): 86.

³⁰Farnsworth, 732.

has been minimal. The Brooks-Alexander Amendments and the 620-Q Amendment to the Foreign Assistance Act demand sanctions when Peru gets one year behind in repaying loans granted under Foreign Assistance auspices.³¹ Only 1% of Peru's total foreign debt falls within the realm of the amendments. Peru's annual debt service ratio for these loans has been about 30%.³² Also, U.S. financial exposure, attributable to Peru's foreign debt is minimal. Of Peru's \$16 billion total foreign debt, only 18% is with U.S. banks.³³ U.S. assistance in the resolution of Peru's debt will marginally affect U.S. financial interest while substantially contributing to Peru's economic, political and social stability.

Indeed, U.S. economic and security interests are in jeopardy, when it comes to Peru's deteriorating economic condition. The U.S. still has extensive business interests in Peru. An economically unstable Peru is less likely to remain democratic. A politically unstable Peru spells security problems for the Andean region, and the U.S.³⁴

A convergence in interests is clear when it comes to Peru's insurgency problem. Although the different insurgent groups do not pose a direct threat to U.S. security, they do pose a significant threat to Peru's internal security and stability. Already, the war with terrorists has claimed 12,506 lives as of the end of 1988.³⁵ Peru has asked for and received assistance from the U.S. Referring back to the discussion on declared interests, much of U.S. economic

³¹Ferrero Costa, 61.

³²Congressional Presentation for Security Assistance, FY 1989, 287.

³³Werlich, 32.

³⁴Flordan Roett, "Peru: The Message from Garcia," Foreign Affairs 64/2 (Winter, 1985/86): 285-286.

³⁵"Matan a cinco terroristas en Perú," Diario Las Americas, 30 December 1988.

assistance is indirectly linked to Peru's insurgency problem—amelioration of poverty and suffering removes a condition that encourages insurgency.

In terms of military assistance however, U.S. response to Peruvian counterinsurgency needs have been minimal. As already discussed, no military assistance funds were allocated Peru for the purchase of military equipment in FY 89. Assistance has been limited to military-to-military training and subject matter expert exchanges. Of twenty scheduled non-FMS projects in Peru for 1989, eight directly pertain to counterinsurgency. Examples are development of a psychological operations plan, exchange on techniques of employing special operations forces in counterinsurgency operations, and training in jungle and riverine operations.³⁶

There are also nine U.S. officers (five Army, two Air Force, one Navy and one Marine) assigned as exchange officers with their counterpart services in the Peruvian Armed Forces. However, these officers work as faculty members or students at the different service schools. Their involvement in counterinsurgency, if any, is limited to the classroom.

Peru's politico-ideologic interests prohibit the direct involvement of U.S. combat troops in their counterinsurgency effort. What they do want is U.S. expertise. More than expertise however, they need equipment. Partly because of their economic conditions, Peru cannot afford to purchase the equipment they need in counterinsurgency operations. At the same time, because the military regards the external threat to be much greater than the insurgency threat, force structure, equipment, and doctrine heavily favors conventional warfare.³⁷

³⁶U.S. Embassy-PERU, "USMAAG-PERU Major (Non-FMS) Projects," Lima, Peru, 14 Dec 1988.

³⁷U.S. Embassy-PERU, "Peru Political-Military Summary," Lima, Peru, September 1988.

Thus, Peru, the third greatest military power in South America (behind Brazil and Argentina),³⁸ is having difficulty against the *Sendero Luminoso*.

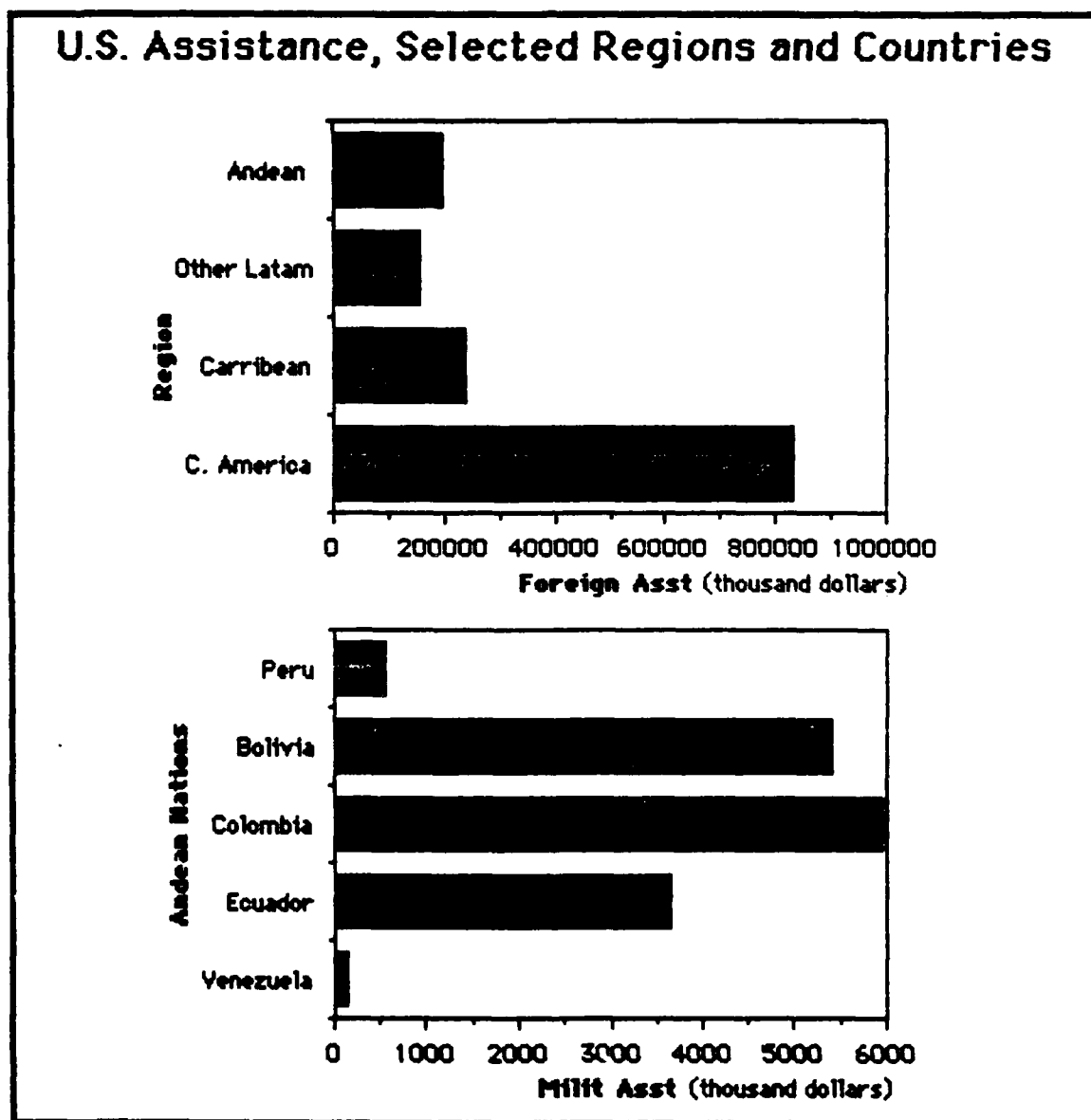


Figure 6³⁹

³⁸Adrian J. English, "Peruvian forces' rise in military status," Jones Defence Weekly 9/12 (26 March 1988): 584-587.

³⁹Data from Congressional Presentation for Security Assistance, FY 1989.

The U.S. declared security, economic, politico-ideologic and socio-humanitarian interests require her to fully support Peru's counterinsurgency effort. If Peru is to be weaned away from the Soviets, than the U.S. will have to start supplying her equipment needs at a higher level. U.S. commercial interests in Peru are substantial—33%-40% of Peru's imports (\$2.3 billion in 1986) come from the U.S. while 35%-37% of her exports (\$2.5 billion in 1986) go to the U.S.⁴⁰ It is a popularly elected government that the insurgencies are trying to topple. The SL is Maoist while the *Movimiento Revolucionario Tupac Amaru* (MRTA) is Marxist-Leninist. The war is witnessing increasing human rights violations by both sides.⁴¹ On the basis of declared interests, the U.S. should be providing a lot of what Peru needs to solve her insurgency problem.

The fact is that, although Peru is important to the U.S., other countries are more vital to U.S. interests. Using U.S. Foreign Assistance as a gauge of relative importance to U.S. interests, South America takes a back seat even to Africa.⁴² In terms of Security Assistance, U.S. vital security interests end somewhere north of Colombia (See Figure 6). Even among the countries in the Andean region, Peru rates low in terms of U.S. Security Assistance priorities.

The war against drugs is another issue where the interests of the U.S. and Peru converge. Garcia has pursued a vigorous anti-drug program from the start. First, his unifying the *Guardia Civil* (Civil Guard, a national police force), the *Guardia Republicana* (a national police force charged with border patrols, customs and prisons), and the *Policia de Investigación del Peru* (Peru's FBI), under a single director has resulted in a unified effort against the narco-traffickers. With an elite anti-drug unit, the *Umopar*, and the Peruvian Air Force,

⁴⁰Jane Monahan, "Peru," The Latin America & Caribbean Review 9 (1987): 109.

⁴¹Ferrero Costa, 71.

⁴²U.S. Congress, House Appropriation Committee, Prepared Statement of Elliot Abrams, Assistant Secretary for Inter-American Affairs, Before the Foreign Operations Subcommittee, 100th Cong., 2d sess, 22 April 1988, 36.

García conducted Operation Condor, which succeeded in destroying several cocaine laboratories and 140 airstrips, as well as capturing 14 aircrafts used for smuggling drugs.⁴³

In the war against drugs Peru's interests are varied. In socio-humanitarian terms, Peru herself has an increasing drug addiction problem. More importantly, since the insurgents and the narco-traffickers have entered a symbiotic relationship,⁴⁴ Peru has politico-ideologic and security interests in the war against drugs.

On the other hand, there are cultural and economic reasons why Peru should not wage war against drugs too vigorously. Coca leaf cultivation and use is part of the centuries-old customs of the Andean Indian. The drug trade has brought, to the Indian cultivators, unparalleled financial benefits that cannot be equalled by cultivating other crops.⁴⁵ The illegal drug trade pumps \$800 million into Peru's economy, making coca the nation's leading export.⁴⁶

U.S. assistance to Peru is a reflection of how important the U.S. views the war against drugs. The FY 89 Foreign Assistance requested \$10 million in International Narcotics Control funds for Peru. During the budget appropriation process, Congress earmarked an additional \$3.5 million which Peru can use in procuring equipment, to include weapons and ammunition, and drug interdiction training.⁴⁷ As part of Operation Snowcap, U.S. Drug Enforcement Agents, trained by the U.S. Marines and U.S. Army Special Forces on patrolling and jungle warfare, are in the Upper Huallaga Valley of Peru. In their capacity as advisers, they accompany the *Guardia Civil* on raids against narco-trafficker

⁴³Werlich, 32.

⁴⁴"Morde fondo: sendero blanco," Correos (5 Sept 1988), 25.

⁴⁵Ferrero Costa, 71.

⁴⁶Farnsworth, 727.

⁴⁷Louis J. Samelson, "Fiscal Year 1989 Military Assistance Legislation: An Analysis," The DISAM Journal 11/2 (Winter 1988-89): 23-25.

strongholds and airstrips. The Bureau of International Narcotic Matters, U.S. State Department, is providing helicopters and U.S. civilian pilots in support of the operation.⁴⁸ The Upper Huallaga Valley is the source of over 50% of the cocaine that enters the U.S., according to John C. Lawn, DEA Administrator. The Valley is also an SL stronghold. The employment of DEA Agents on the ground, despite the likelihood of direct confrontation with the SL, demonstrates how important the U.S. views her drug-related interests.

Summary

Based upon declared and demonstrated intentions, the U.S. national interests in Peru (in the order of priority) are as follows:

1. Promote regional stability by supporting democracy.

- Foster economic stability by encouraging a reform of Peru's foreign exchange structure and the adoption of a free-market system.
- Foster socio-political stability by encouraging respect for human rights, assisting in the development of the rural infrastructure, and promoting the health and education of the masses.
- Foster Peru's security by reorienting the military's attention towards the insurgency threat, assisting in the development of a counterinsurgency doctrine and strategy, and encouraging the professionalization of the armed forces of Peru.
- Assist in the regional arms control by withholding the supply of weapon systems that upset the balance of conventional arms.

⁴⁸Michael Isikoff, "Drug War in Peru Widened," Kansas City Times, 23 January 1989. U.S. military involvement in the training of the DEA agents, confirmed by GEN Stephen G. Olmstead, Deputy Assistant Secretary of Defense for Drug Policy and Enforcement, in an unclassified speech before the U.S. Army CGSC, on 19 April 1989.

2. Reduce flow of drugs into the U.S. by assisting Peru in curtailing the cultivation of coca leaf and the production of cocaine.

- Provide economic support for crop substitution programs.
- Train Peruvian law enforcement agents in drug eradication and interdiction.
- Provide expertise and equipment to facilitate drug interdiction and eradication operations.

3. Limit Soviet influence in Peru.

- Strengthen bilateral military relationship with Peru.
- Accept Peru's non-aligned status.
- Tolerate Peru's anti-American posturing as an aspect of internal politics and maintain communication links with the Government of Peru.

It should also be noted that the U.S. considers her interests in Peru important, but not vital to U.S. survival.

Based on declared and demonstrated intentions, Peru's national interests, relevant to her relationship with the U.S., are:

1. Preserve national unity and democracy.

- Solve the insurgency problem by improving the military's morale and ability to fight the insurgents, by developing a regional economy and infrastructure to "win the hearts and minds" of the people in the rural areas and to reduce urbanization, and by destroying the relationship between the insurgents and the narco-traffickers.
- Strengthen Peru's economy by increasing foreign exchange revenues, reducing the budget deficit, acquiring capital through new sources of

credits and foreign investments, and resolving the foreign debt problems through negotiations.

2. Promote Peru's international status and national sovereignty .

- Pursue a non-aligned foreign policy by maintaining relations with both the "East" and the "West."
- Maintain a credible deterrence to external threats through a strong military.
- Foster Peru's leadership in the Latin American community and the third world.

The relations between the two nations is better today than it was in 1985. The U.S. has demonstrated remarkable patience in responding to Peru's hostile rhetoric. At the same time, Peru has markedly reduced her anti-U.S. posturing as she seeks solutions to her deteriorating economic and political conditions. This warming trend is most evident in the bilateral effort to combat insurgents and narco-traffickers. With the Bush Administration's positive efforts to resolve the Central American conflict and the Latin American debt issue, the future for an even closer relations between the U.S. and Peru is promising.

CHAPTER 5

THE ADVISABILITY OF U.S. MILITARY NATION-BUILDING IN PERU

According to General Andrew J. Goodpaster, there are three questions that need to be answered in the formulation of national strategy. First, "What are our objectives?" Second, "What concepts should guide us in pursuing these?" Lastly, "What means shall we employ?"¹

The previous chapters answered the first question. Chapter 4 describes clearly what the "ends" are. It is noteworthy that the U.S. interests and objectives described at the end of Chapter 4 closely parallel those "ends" which, the Commission on Integrated Long-Term Strategy concluded, the U.S. has in the third world.²

In this chapter, the objective is to examine whether the "ways" and "means" of U.S. military nation-building exercise (MNBE) is appropriate in the pursuit of the "ends," both of the U.S. and Peru. Is U.S. MNBE an appropriate way of achieving U.S. objectives in Peru? Is the employment of U.S. military engineers in the construction of Peru's physical infrastructure an appropriate way of achieving Peru's national objectives? In terms previously employed in this paper, this chapter answers the question of desirability and feasibility of U.S. MNBE in Peru.

¹The Regional Conflict Working Group, Commission on Integrated Long-Term Strategy, Supporting U.S. Strategy for Third World Conflict, Washington DC: Department of Defense, June 1988, 16.

²*Ibid*, 19.

But first, it is necessary to distinguish between civic action and nation-building. The term "civic action" has a precise bureaucratic meaning and is officially defined (see Glossary). The term "nation-building," on the other hand, does not have an officially established meaning. The various definitions of the term are in the Glossary. As used in this paper, it has a precise meaning, both technically and legally, that is rooted in the evolution of what the U.S. military is doing today in Latin America.

From Civic Action to Military Nation-Building

Note that the involvement of U.S. military units in nation-building is not a modern phenomenon. U.S. military units have been involved in the development of the U.S. since Independence. Indeed, the early explorations of the west were military expeditions led by Army officers like Lewis, Clark, Freemont, Pike and Long. Army engineers supervised the construction and siting of much of the early roads and railroads. The Civilian Conservation Corps of the depression years were led and cared for by the Army.³ Today, the U.S. Army Corps of Engineers continues to have a nation-building role through supervisory and regulatory responsibilities over civil works, navigable inland waters and wetlands.

The U.S. military's involvement in nation-building and civic action overseas has also been extensive. Although the term "civic action" did not officially come into being until the late 1950s, the Army did perform tasks "to win the hearts and minds" of the Cubans and the Filipinos at the turn of the century. The role of civic action in ending the Philippine Insurrection was significant. In Haiti, the Dominican Republic, and Nicaragua, civic action was part of the U.S.

³Edward Bernard Glick, Peaceful Conflict (Harrisburg, PA: Stackpole Press, 1967), 45-59.

effort to establish democracy during the "Banana Wars" era.⁴ One of the brighter aspects of the U.S. occupation of Veracruz was the infrastructural changes accomplished by U.S. Army and Marine troops in the city's market, custom house and sanitation system.⁵ Korea, Philippines and Vietnam were sites of successful, and not so successful, employment of civic action in counterinsurgency after WW II.

Past U.S. military involvement in civic action in Latin America is extensive. In fact, it is in the involvement with Latin America that the term "civic action" became official. Even before the Alliance for Progress, the Army recognized the value of civic action as a tool for stability. In 1960, the Army sent a civic action team to Guatemala. It was the Army Chief of Staff, General George H. Decker, who first saw the link between civic action and the Alliance for Progress. John F. Kennedy quickly made civic action "an important adjunct of U.S. foreign policy toward Latin America." In 1962, the first joint MAP-AID financing of civic action resulted in a \$2 million assistance package for Ecuador.⁶

In the late 1960s and early 1970s, the failure of the Alliance for Progress and the negative U.S. civic action experience in Vietnam resulted in the abandonment of military civic action as an instrument of U.S. foreign policy toward Latin America. Colonel Irving Heymont concluded in a 1971 Military Review article that civic action in Vietnam succeeded only in providing the immediate security needs of the assisting unit and in satisfying the immediate needs of the assisted locality. He added that, judging from the conditions of the

⁴Willard F. Barber and C. Neale Ronning, Internal Security and Military Power: Counterinsurgency and Civic Action in Latin America (Ohio State University Press, 1966), 57-61.

⁵Robert Quirk, An Affair of Honor: Woodrow Wilson and the Occupation of Veracruz (New York: WW Norton & Co Inc., 1962), 130-136, 152-153, and 171.

⁶Harry F. Walkerhouse, "Good Neighbor in Uniform," Military Review 45/2 (Feb 1965): 14-17.

seven Latin American nations which received the majority of the civic action funds between 1961 and 1965, either the money spent went to waste or the U.S. did not spend enough money.⁷

In the early 1980s, faced with the task of assisting El Salvador and neutralizing the Sandinistas, the U.S. found herself deploying into a region whose underdeveloped infrastructure hindered the sustainment of a deployed army. At the same time, Congress, determined not to involve the U.S. in another Vietnam, limited the funds available for military use in Central America. The Army responded creatively by having engineer units train in Central America. The roads and airfields they constructed during their training, especially in Honduras, served the exigencies of U.S. strategy in the region, and the need for physical infrastructure among the countries of the region.⁸

Congress, through the Government Audit Office, responded with yet another round of restrictive rules. First, the U.S. military was prohibited from using operating and training funds for security assistance (including civic action) except in humanitarian relief efforts during emergencies. Second, the U.S. may perform civic action to mitigate the adverse effects of military training exercises as long as the cost is less than a small percentage of the total exercise cost. Third, U.S. engineer units may perform construction training exercises in other countries as long as the Host Nation pays for the material and equipment-operating costs expended on the product to be retained by the Host Nation.⁹

⁷\$47 million went to Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay and Peru. Irving Heymont, "The U.S. Army and Foreign National Development," Military Review 51/11 (Nov 1971): 17-23.

⁸The Big Pine Exercise (Ahuas Tara), in Honduras in 1983 ushered in the "revival" of U.S. military nation-building/civic action effort in Latin America. Clinton W. Miller, "Engineer Challenges," Military Review 69/2 (Feb 1989): 30.

⁹Humanitarian relief and civic action incident to military exercise are funded through Title 10 of the U.S. Code. The U.S. part of the cost of military nation-building is funded through

The third type of exercises explains the use of the term "U.S. military nation-building exercise" in the context of this paper. For the purposes of this paper, MNBEs are those training exercises centered around the training of engineer construction units. Fuertes Caminos (FC) is an MNBE using reserve component units on their annual deployment training exercise. Deployment for Training (DFT) exercises employ active component units of various sizes.

The regulatory rules made civic action tougher to plan and execute. Nonetheless, the "civic action" benefits accrued by the Host Nation and the quality of the training gained by the participating engineer units resulted in the expansion of the program. Reserve unit involvement started in 1984. Engineer units of the Louisiana and Missouri National Guard, with support from the Puerto Rico National Guard, built several kilometers of roads in the remote Azuero Peninsula of Panama. These reserve component Blazing Trails exercises, now known as FC exercises, soon expanded into projects in Honduras and Ecuador. This year, historic Potosí, Bolivia, will be the site of yet another MNBE (Fuertes Caminos). Panama, Honduras and Costa Rica were also sites of active component DFT exercises. These exercises continue to be a major way of supporting U.S. presence in Honduras.¹⁰

Civic Action in Peru

The U.S. military first got involved in civic action in Peru under the auspices of the Alliance for Progress. From 1962 to 1966, the U.S. provided Peru almost \$10.5 million in military assistance funds for civic action programs, primarily through construction equipment grants and civic action advisory teams. The USAID added another \$2 million between 1965 and 1967.¹¹

component training/exercise funds. Fred F. Woerner, "The Strategic Imperatives for the United States in Latin America," *Military Review* 69/2 (Feb 1989): 27. Also, Miller, 33-36.

¹⁰From interviews with Majors Clyde Vaughn and Michael DeBow. Also, Miller, 33-36.

In 1984, recognizing the value of MNBES in an under-funded and under-resourced theatre, the USCINCSOUTH, General Gorman, surveyed the different Latin American countries for their needs. Peru responded with a request for three engineer battalions' worth of construction equipment on a grant basis.¹²

There are at least three explanations why Peru would request construction equipment grants and not engineer unit assistance. First, the civic action assistance Peru received in the 1960s was in the form of construction equipment grants. This equipment is now mostly inoperable from lack of spare parts. Second, the Peruvians believe that they have the technical know-how to execute military nation-building provided they had the necessary equipment. Third, Peru has an ambitious and ongoing military program of road building and colonization (Figure 7, page 82), whose progress is slow due to lack of equipment. The presence of a small engineer force for one construction season does not do much for this program.

The Peruvian military has extensive experience in civic action that dates back to the 1920s. Although their experience encompasses the total gamut of civic action, the major effort has been in road building and colonization.¹³ The Peruvian Army's involvement in constructing "penetration" roads into the mountain and high jungle regions of Peru started in the 1930s. The Peruvian Navy and Air Force have also actively participated in civic action, notably in the development of ports and airfields.¹⁴

¹¹Glick, 89-90.

¹²AMEB LIMA Message, Subject: Project Proposal to Increase Engineer Capabilities Within LATAM (U), March 1984.

¹³John G. Waggener, "East of the Andes," Military Review 48/11 (Nov 1968): 20-25.

¹⁴U.S. Army Forces Command, Military Trends in Latin America—Peru, Fort Bragg: U.S. Army FORSCOM Intelligence Center, October, 1974, 4.

CURRENT PERUVIAN ARMY ROAD CONSTRUCTION AND RURAL COLONIZATION PROJECTS

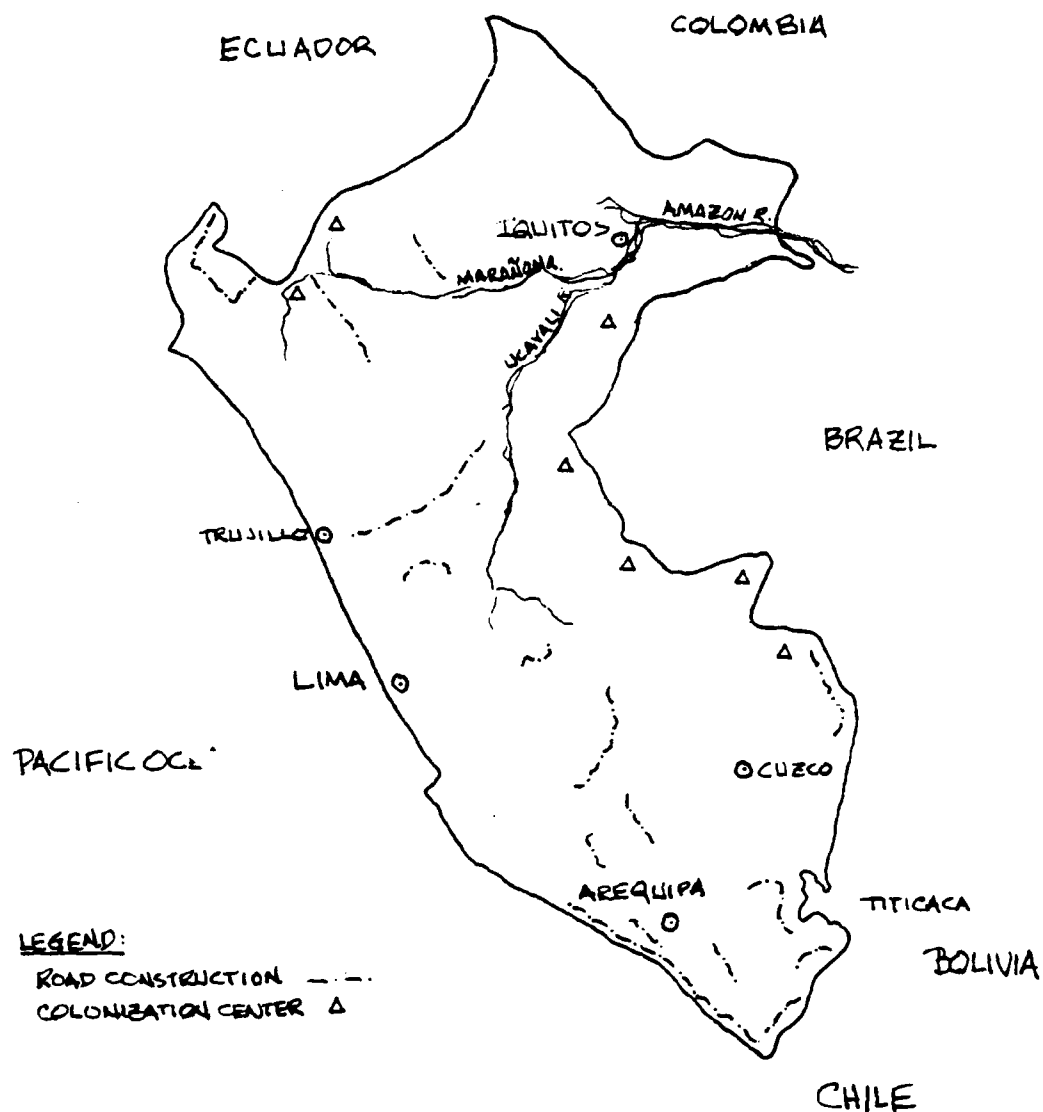


Figure 7¹⁵

¹⁵From February 1987 briefing by the Peruvian Army's Office for National Development (ODENA) to representatives of the USSOUTHCOM, attended by the author.

Moreover, the Peruvian Army has had a successful experience in the employment of civic action in an integrated campaign against insurgency. In 1965, in the valley of La Convención, road construction, limited land reform and psychological operations, enabled the Peruvian Army to gain the support of the local population against a budding communist insurgency. Thus, the army was able to move in and swiftly isolate and defeat the insurgents by force.¹⁶

It is understandable, then, that the Peruvian Army prefers an equipment-only assistance package. At the same time, they have also shown the willingness to host a U.S. MNBE. In the 1987 Fuerzas Unidas exercise, a U.S. engineer squad worked side by side with a Peruvian engineer platoon, painting schoolhouses and building tables and chairs for the schools near Pisco. During the 1987 visit by the SOUTHCOM Engineer, Colonel Jack LeCuyer, the Chief of the *Oficina de Desarrollo Nacional* (ODENA, Office for National Development) did emphasize Peru's need for equipment. However, he also discussed the prospect of U.S. Army construction units helping out in Peru's road construction effort. He even went as far as to discuss possible sites and integration concepts for these U.S. units.¹⁷

In late 1987, the FY89 Fuertes Caminos (FC) exercise, scheduled to be held elsewhere in Latin America, was cancelled. The USSOUTHCOM staff then asked the U.S. Country Team in Peru if they wanted to host the exercise. The Country Team turned down the invitation based on the fact that Peru was having municipal and national elections in 1989 and 1990. At the same time, the Country Team left the possibility of hosting the exercise open after the elections.

¹⁶Ibid. Also, Enrique Gallegos Yenero, "Success in Peru," *Military Review* 46/2 (Feb 1966): 15-21.

¹⁷The author was present in the meeting.

Desirability

Will U.S. military nation-building promote U.S. interests in Peru? Will it promote Peru's national interests? These are questions that need to be answered to determine if U.S. military nation-building in Peru is desirable.

As discussed in the previous chapter, the most important U.S. interest/objective in Peru is to promote regional stability by supporting democracy. A U.S. MNBE in Peru supports the economic, socio-humanitarian, and security aspects of this interest.

The link between U.S. MNBEs and economic stability is direct. The Peruvians have long recognized that one of the factors directly affecting their economic development is the regional compartmentalization imposed by their rugged and varied terrain. The most accessible region, the coast, is also the most arid. The most arable lands are along the eastern slopes of the Andes, a region served by few substandard roads. The undeveloped mineral deposits and oil reserves are also east of the Andes, opposite the side where the industrial, population, and transportation centers are located. It is clear how a U.S. MNBE involved in road construction can benefit Peru's economy

The economic impact of any road constructed by U.S. military units is dependent upon the length and the location of the road. A ten-kilometer stretch of road will have more impact than a one-kilometer road. But a one-kilometer road, especially one constructed over the Andes, is a significant contribution simply because of the effort it takes to construct one kilometer of road over the Andes. A 10 kilometer road constructed along the more benign coastal region will be less beneficial but will still help since it will free Peruvian engineer units to work in the Sierra.

For the same reasons, the socio-humanitarian aspects of the U.S. stability interest in the region will be promoted by a U.S. MNBE. Improving access to natural resources and land, while easing the problem of transportation of goods to the markets, are direct ways of improving the economic conditions of a region. Simultaneously, the same roads that allow increased access to markets permit increased access to doctors and health facilities. Aside from roads, other infrastructural plants such as wells, schools, and sanitation facilities can be built. A U.S. MNBE can be tailored to focus on the infrastructural plants that will allow the development of commercial centers in rural areas, thus facilitating regionalization while helping stem urbanization.

The relationship between U.S. MNBEs and counterinsurgency is less direct. After all, Peruvians seeing U.S. troops constructing roads does not necessarily endear the Peruvian government or armed forces to the people. However, a U.S. MNBE can be performed in the pacified areas in order to free Peruvian units to do civic action in the "hot" areas. In this case, the value of a U.S. MNBE is that of allowing indigenous forces do what was proven successful in defeating communist insurgencies in Latin America in the 1960s.¹⁸

The final aspect of the U.S. stability interest in Peru concerns regional arms control. Since the 1950s, U.S. reluctance to provide Peru with weapon systems, which neighboring countries may consider threatening, has been a constant source of friction. A U.S. MNBE promotes the type of military-to-military relations needed for improved bilateral relations between the two countries without compromising U.S. commitment to regional arms control.

¹⁸Dudley Gordon Evans, "Military Civic Action as an Instrument of United States Military Strategy for Latin America," Doctor of Philosophy Dissertation, University Of Missouri-Columbia, 1979, 229.

The second most important U.S. interest in Peru is that of curtailing the cultivation of coca leaf and the production of cocaine. A U.S. MNBE directly supports this interest if done in the same area where the substitution, eradication, and interdiction operations are ongoing. First, since the areas where drug activities usually occur are remote and difficult to access, the construction of roads, airfields, and other transportation-enhancing structures make movement of counter-drug units easier. Second, humanitarian/civic action types of projects, such as well drilling, construction of schools, and installation of irrigation ditches, can ameliorate some of the adverse effects of counter-drug operations on the local people.

The third U.S. interest/objective in Peru is to neutralize Soviet influence in Peru, especially within the military. There are two possible ways U.S. MNBEs can promote this interest. First, since the Soviets do not offer a similar type of "service", MNBEs may help promote the impression that U.S. military influence and presence are less self-interest-motivated and more altruistic than those of the Soviets. Second, as already mentioned, a U.S. MNBE can be an excellent vehicle for improving the military-to-military ties between the U.S. and Peru, hopefully at the expense of Soviet influence.

From the perspective of Peruvian national interests, a U.S. MNBE may help preserve the unity and sovereignty of Peru by helping defeat the insurgents. Aside from this "hearts and minds" aspect, a U.S. MNBE may lead to more significant counterinsurgency support in the future.

The result of the field questionnaire (Appendix B) seems to support the discussion on desirability. The Part IV questions related to desirability are 1, 6, and 8. Based on the responses to these questions, there is general agreement that a U.S. MNBE will enhance U.S. interests in Peru, especially with respect to

improved military-to-military relations between the two countries. Some believe that a U.S. MNBE promotes the survival of democracy in Peru and enhances the U.S. counter-narcotics objectives. Others focus on the humanitarian aspects as the key to the desirability of a U.S. MNBE. It should be pointed out that one respondent felt that a U.S. MNBE will be detrimental to U.S. interests. His reasons are considered in the discussions on feasibility and risks.

Feasibility

The question of feasibility has to be explored at several levels. At the most basic level, "physical feasibility" is the capability to perform a series of action to produce the intended product. Relating this definition to the topic, to say that a U.S. MNBE in Peru is feasible is to imply that the U.S. has the resources, technical capability, and associated manpower to accomplish the assigned task. In this sense, there is no doubt that a U.S. MNBE in Peru is feasible. U.S. engineer units have been deploying all over the world to do construction. Since 1984, U.S. reserve and active engineer units, from squad to battalion size, have done MNBEs in Panama, Honduras, Costa Rica, Ecuador and Bolivia. An engineer squad deployed to Pisco, Peru, albeit to do civic action incident to a combined training exercise between units of the USSOUTHCOM and the Peruvian Armed Forces. Undoubtedly, at the most basic level, a U.S. MNBE in Peru is feasible.

Given physical feasibility, the next point on feasibility centers around the "risks". In the generic sense, a risk is the likelihood of undesirable consequences. In this analysis, a "risk" exists when results detrimental to a national interest is a probable outcome. The question of feasibility then becomes a matter of reducing risks to levels of acceptability. Specifically, for a

U.S. MNBE in Peru to be feasible, any identifiable "risk" must be capable of being reasonably mitigated, either through the minimization of the likelihood of occurrence or through the reduction of adverse effects.

Risks to the U.S. interest of promoting regional stability and support for democracy exist. First, there is the risk that a U.S. MNBE in Peru will be regarded by Peru's neighbors as enhancing Peru's offensive capability. As previously mentioned, Peru has active irredentist conflicts with Chile and Ecuador. Peru occupies land Ecuador claims as her's. Border clashes with Ecuador occurred in the early 1980s. When the U.S. deployed to Ecuador in 1987 to do a MNBE, Peru saw it as potentially threatening. Also, Peru still aspires to recover the province of Arica. A break in diplomatic contact, between Peru and Chile, occurred in the 1970s over the question of Arica.¹⁹

Mitigation to this risk can be achieved at two levels. At the diplomatic level, Ecuador and Chile can be informed and assured that the project is benign and strictly socio-humanitarian in nature. At the planning level, the selection of project type and location can be such that it reinforces the diplomatic assurances made to Peru's neighbors. Road construction within a couple hundred miles of international borders and projects on military installations could be avoided. Projects which are clearly socio-humanitarian in nature, such as water supply and farm irrigation systems, should be emphasized. The point is that the risk that neighboring countries may perceive a U.S. MNBE in Peru as a threat to their security cannot be disregarded. At the same time, relatively simple measures to minimize this risk to an acceptable level are available.

¹⁹Peter Calvert, "Boundary Disputes in Latin America," Conflict Studies 146 (Institute for the Study of Conflict, 1983) 12-14 and 16-18.

A second risk to the U.S. stability interest is the economic impact of military units competing with the civilian sector. The development of privately owned and operated companies is basic to the U.S. interest and objective of promoting stability through economic development. Even in the U.S., laws have forced the military to divest itself of all activities that are in competition with the private sector. Would not an MNBE detract from the development of a civilian capability to provide similar services? Indeed, civic action in Peru in the 1960s raised this very same objection.²⁰ However, because of the realities of Peru's economic conditions and internal security, this objection is less relevant than it would otherwise be.

In Peru, there are three possible construction agents of public facilities: private companies, the ministry in charge of public works, and the armed forces. Private companies construct public facilities to serve their own private needs. For example, mining companies build roads and ports so that they can get the ores to refineries and foreign markets. Unfortunately, these transportation facilities, although public in nature, often have limited value other than to serve the interests of the private firm.

Peru contracts with private construction firms for some public works. For example, a partnership between a Peruvian firm and a Japanese firm is currently constructing an elevated railway in Lima. However, given Peru's economic conditions, there are many more public works projects than there are public funds to finance them. Moreover, private contractors are reluctant to do projects in the remote areas of the country.²¹ The private sector often contracts with the public works agency and the armed forces for the construction of facilities they need in remote areas.²²

²⁰Glick, 182-183.

²¹Barber and Ronning, 190.

The Ministry of Transport and Communications has executive responsibility over 57,000 kilometers of roads in Peru. The ministry receives funds for the maintenance and construction of roads. However, because of the security conditions, the ministry "contracts" with the Army for the construction of roads in the more remote and less secure areas. As shown in Figure 7, the Peruvian Army's role in road construction is extensive.²³

Another risk to the U.S. stability interest, and also to Peru's national unity and democracy, is the possibility that a U.S. MNBE will result in the loss of credibility on the part of the Peruvian armed forces. Such an outcome would detract from the Psychological Operations aspects of Peru's counterinsurgency effort. Colonel Heymont observed this phenomenon in U.S. civic action efforts in Vietnam.

However, recent U.S. MNBE experience indicates the opposite. In Panama, the fact that a security element from the Panamanian Defense Force was always with the U.S. engineer units, gave the message that construction was under the auspices of the Panamanian government. This message was further reinforced in the ceremonies that "gave" the completed product to the people. In the ribbon cutting for one of the completed roads, General Noriega's speech emphasized the point that the road was a product of the Panama Defense Force's goodwill toward the people.²⁴

An active press campaign is another way of mitigating this risk. In Costa Rica in 1986, the local newspapers carried stories before, during, and after the U.S. MNBE, emphasizing the Costa Rican government's role in the bridge building effort by elements of the 536th Engineer Battalion, 193d Infantry

²²ODENA briefing.

²³Ibid.

²⁴Interview with MAJ DeBow.

Brigade. Other stories emphasized that work was being accomplished under the control of the Ministry of Public Works.²⁵ The Costa Rican government remains secure in its role, as evidenced by its hosting other U.S. MNBEs since 1986. This attests to the effectiveness of a well coordinated press campaign.

A more serious dimension of the risk of the Host Nation losing credibility, is that of losing political legitimacy. Will the people interpret U.S. military presence as a capitulation of the government to U.S. "intervention?" Will the U.S. military presence legitimize the insurgencies that plague Peru? A yes to either question jeopardizes the U.S. interest of maintaining regional stability through support of democracy. It also threatens Peru's aspirations for internal unity and international prestige. At the very least, a U.S. MNBE presents the extreme elements of Peru's political spectrum the opportunity to mount a successful anti-U.S. propaganda campaign.

Something akin to this happened in Ecuador in 1987. The political opposition, a leftist party, mounted a campaign to discredit the U.S. MNBE as a waste of Ecuador's meager monetary reserve, and a ploy to satisfy U.S. military training needs. The campaign was successful mainly because the nation also happened to be in the middle of an election campaign.

The problem in Ecuador (and the success in Costa Rica) demonstrates the importance of USIS in an MNBE. An integrated public relations campaign by USIS might have prevented the propaganda setback in Ecuador. Indeed, USIS has demonstrated what it can do in Peru. In the 1987 Fuerzas Unidas exercise, USIS worked closely with the Peruvian *Commando Conjunto* (equivalent to U.S. Joint Chiefs of Staff) to insure that Peru's press was kept

²⁵ Examples are such articles as, "Llegaron ingenieros de E.U.," La Prensa Libre, 5 March 1986. "Se completó grupo de ingenieros militares," La Nación, 5 Mar 86. "3 Barcos descargan maquinaria en Quepos," La Prensa Libre, 25 Feb 86. "EE.UU. anuente a enviar a más ingenieros militares," La Nación, 4 April 1986.

informed at all times. What resulted was factual and favorable coverage by the main stream newspapers such as *La República* and *El Comercio*, which neutralized the anti-U.S. and anti-government propaganda by the leftist newspapers such as *El Diario*. If a proactive public relations campaign can succeed in presenting the positive aspects of a deployment of as many as five hundred combat troops with sophisticated weapon systems, it should be able to do wonders with the deployment of a hundred construction engineers with bulldozers and graders.

A less obvious dimension of the risk of the Host Nation losing credibility comes from the tendency of people to always expect more than what they receive. Indeed, Venezuela's civic action experience, according to Barber and Ronning, lends credibility to this observation.²⁶ Ted Robert Gurr's theory on "perceived relative deprivation" (PRD) alludes to this phenomenon as well. At the same time, in Gurr's theory can be found the explanation of why, in Peru's case, it is far better to provide for the people's needs than not at all.²⁷

According to Gurr's theory, PRD is the difference between what the people think they have a right to (value expectation or V_e) and what they believe they can realistically achieve (value capabilities or V_c). Furthermore, Gurr's theory would look at the improvements U.S. MNBEs may bring about in the lives of the people as actually resulting in their expecting more, or a higher V_e . Accordingly, this "revolution of rising expectations" will lead to a net increase in PRD.

Civic Action or not, the rural Peruvian V_e is increasing, thanks to the improved public media. The increased access to radio, cinema and television is exposing people to the "better" conditions in the cities. It is in search of

²⁶ Barber and Ronning, 201-202.

²⁷ "Lesson 2. Nature of Society," P552: Insurgency and Counterinsurgency (Ft. Leavenworth, KS: U.S. Army Command and General Staff College, Jan, 1989), 35-40.

satisfying this rising V_e that rural Peruvians are flocking to the cities in increasing numbers. Meanwhile, the V_c plummets as deteriorating economic conditions result in even less the people can get or the government can provide. The result is a PRD that is increasing.

But, in the sense that the V_e is increasing irrespective of whether the U.S. conducts MNBEs, Barber and Ronning's observation regarding increasing expectations in civic action programs may not be valid in present day Peru. With V_e already on the rise, the worst that can happen is that a U.S. MNBE is too insignificant to change the downward trend in V_c and the rising trend in PRD. On the other hand, there is the chance that in promoting the perception that the government is responding to the changing "needs within societal groups," a U.S. MNBE may prevent the emergence of even more violence in Peru.²⁸

With respect to the U.S. drug-related interests, there is a risk that facilities constructed by an MNBE may inadvertently make narco-trafficking easier. The road that makes it easier to transport vegetables to the market can also make it easier to transport cocaine to distribution points. However, coordination with the DEA and the Peru's law enforcement agencies during the site selection process should avoid this risk.

With respect to the U.S. interest of minimizing Soviet influence, there is the risk that failure to deliver the product (or the quality of the product itself) will damage U.S. prestige and increase Soviet influence. Failure to deliver a completed or satisfactory product can result from an overambitious plan. A plan to construct a 10 kilometer, two-way road through the Andes with one engineer company in one construction season (three to six months) is probably doomed to fail. The solution to this is straightforward. Armed with a good

²⁸ibid, 40.

reconnaissance, a good engineer who understands the concept of "factors of safety" will come up with a plan that is achievable under most conditions.²⁹

The failure of the Host Nation to deliver her side of the bargain can also contribute to incomplete or substandard products. In the Blazing Trails 85, Panama's failure to deliver the concrete culvert sections of the proper dimension in sufficient numbers resulted in a lot of the culverts being improperly constructed. Some of these culverts failed during the first rainy season. Part of the solution to this problem is a Memorandum of Understanding that clearly spells out how much of what type of material the Host Nation has to provide, and when.³⁰ Part of the solution is a multi-year program that starts small and builds up to a company or battalion-size project. In this manner, the resolve of the Host Government, as well as its ability to do its part, can be tested and reinforced.

From Peru's perspective, there are risks, as well, to her national interests. The risks concerning loss of credibility and legitimacy have been discussed. There is also the risk that a U.S. MNBE would be perceived as an escalation of the war against the insurgency in terms of outside support. As a result, the Soviets, whose role in supporting the insurgents in Peru is currently nil, may decide to resource the MRTA or the SL. Cuba may step up her role in Peru's insurgency problem. Worse, some of the leftist organizations who are currently working within the system, may be compelled to become insurgents themselves by U.S. participation in the counterinsurgency effort.

The above risks do exist. However, a closer review of the status of the three groups mentioned reveals that the risk may not be significant. First, the

²⁹Interview with MAJ DeBow.

³⁰Blazing Trails 85 After Action Report, 193d Infantry Brigade, B-43. Also, interview with MAJ DeBow,

Soviets have as much to lose as the U.S. if the SL triumphs over the democratic government. Their military and commercial ties with Peru are substantial. The xenophobic SL are equally anti-Soviets as they are anti-U.S. In Abimaél Guzmán Reynoso's (founder of the SL) own words, "A communist has the duty to combat revisionism, tirelessly and implacably. We have done so. We will continue to fight revisionism, not only here [Peru] but also overseas. We will fight it internationally, we will fight Gorbachev's social-imperialism... ." His opinion of Cuba is no more flattering.³¹

Second, although the pro-Cuba MRTA, may receive some covert aid from Cuba, it is doubtful that Cuba will risk an otherwise close relationship with the Aprista government by providing more, yet easier to detect, assistance. Peru is one of few Latin American countries that recognize Cuba. Besides, it is doubtful that the Soviets will allow the Cubans to jeopardize substantial Soviet economic and military interest in Peru.

Third, the mainstream Peruvian communist parties have as much at stake in the continued existence of the current form of government. As already mentioned, IU has legitimate control of several municipal governments. One of the leading candidates to become Peru's next president is the IU's Alfonso Barrantes Lingán.³² As much as the left has at stake with the legitimate political process, it is unlikely that they will abandon working within the system just because of U.S. MNBs.

³¹"Hable el Presidente Gonzalo," El Diario, 31 July 1988, 5-6 and 16. My translation.

³²"Frente con posibilidades," Caracas, 25 January 1988, 21.

Summary

U.S. MNBEs will promote U.S. and Peruvian interests. They will help foster regional stability and support democracy by assisting in the economic development of rural areas, by allowing Peru to focus more manpower in the provinces plagued by insurgency, and by fostering the belief that the government is responding to "changing needs." U.S. MNBEs can also assist the U.S. counter-narcotics effort by providing roads and airfields that will ease the deployment and sustainment of counter-narcotics units, and by ameliorating the negative impacts of counter-drug operations on the local people. Lastly, U.S. MNBEs can be instrumental in decreasing Soviet influence in Peru by emphasizing the altruistic nature of U.S. foreign policy and by strengthening the bonds between the armed forces of the U.S. and Peru.

The risks involved in a U.S. MNBE in Peru are manageable. The risk of the U.S. military competing with Peru's private sector can be minimize by locating project sites in areas where private contractors are unwilling to work. The possibility that Peru's neighbors might perceive U.S. MNBEs as a threat to their security can be minimized through judicious selection of project type and location. Proper planning and realistic project scopes will avoid risks resulting from the "failure to deliver." The risk that the U.S. will fall victim to hostile propaganda, or that the Peruvian government's credibility and legitimacy will be imperiled by the presence of U.S. troops, can be mitigated by a coordinated and vigorous public relations campaign. A multi-year program may be useful in avoiding risks resulting from a lack of commitment on Peru's part.

Since U.S. MNBEs are desirable and feasible, they are advisable as ways for the Country Team to foster U.S. ends in Peru

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

According to the Commission on Integrated Long-Term Policy, a well-planned U.S. exercise in a developing country should meet three criteria:

1. It must provide sound training for the participating units, fostering their readiness to accomplish assigned missions better than any other uses of the same training time.
2. The exercise must fit the requirements of the host country.
3. The exercise should contribute to U.S. regional strategy.¹

This paper has accomplished its original charter in verifying that a program of U.S. military nation-building exercises (MNBE) in Peru is "acceptable." However, against the criteria listed above, this paper lacks one element to be complete. Although the discussion on acceptability also established compliance with the second and third criteria, this paper has yet to examine whether a U.S. MNBE in Peru constitutes sound training for the participating U.S. units.

To qualify as sound training, an exercise must have two qualities. First, it must require the execution of tasks that are part of the units' wartime missions, under realistic and challenging conditions. Second, task execution must be

¹The Regional Conflict Working Group, Commission on Integrated Long-Term Strategy, Commitment to Freedom: Security Assistance as a U.S. Policy Instrument in the Third World, Washington DC: Department of Defense, May 1988, 42.

achievable under the safest and most secure conditions that the American people can reasonably expect during exercises conducted in time of peace.

Training Value

Procurement and Production of Construction Materials, Airfields and Heliports, Roads, Bridging, Logistics over the Shore Operations, Water Supply, Real Estate, Real Property Maintenance Activities—these are the titles of some of the fifteen chapters in Field Manual 5-104: General Engineering.² They could also be entries in a list of what U.S. Army engineer units have done since 1983 during MNBEs in Latin America. What the reserve and active component units have done in terms of planning and coordination, deployment, horizontal and vertical construction, and sustainment operations are the very tasks support and combat service support units can expect to do in an actual theatre of operations. There is no doubt that MNBEs provide training on the very tasks that make up unit missions in wartime.

Moreover, MNBEs provide realistic training otherwise not available in CONUS. To begin with, MNBEs usually entail the challenge of deploying by land, sea, and air to remote and undeveloped areas. Construction and other operations in unique environments, such as the jungle regions of Ecuador and the mountains of Bolivia, are difficult to duplicate in CONUS. An MNBE in Peru will offer yet other unique environments—the arid coastal desert, the Andes alpine region, or the humid Amazon basin jungle.

Not only do such areas present unique working conditions, they also present opportunities to re-learn techniques long forgotten with the advent of modern machineries, to learn new techniques that the natives employ to cope

²U.S. Army, FM 5-104: General Engineering (Washington, D.C.: Govt Printing Office, 1986), iii-iv.

with their environment, and to develop creativity and improvisation in face of austere conditions. The long and difficult lines of communications demand efficiency and initiative, qualities essential on the battlefield, but often forgotten in the training areas of Fort Dusty, USA.³ The difficulties associated with working with allies are excellent primers for future combined operations. Certainly, past MNBEs have offered some of the most challenging and realistic training often not available in CONUS. An MNBE in Peru offers the same.

Safety and Security

The military is a dangerous profession. The type of activities soldiers, sailors and airmen perform, take their toll in lost limbs and lives, even in peacetime. At the same time, the military does more to insure safety and security than most civilian occupational groups, precisely because of the danger inherent in soldiering. Soldiers and their families have come to expect, and rightfully so, that they will not be unnecessarily exposed to danger.

Peru is a dangerous place. The U.S. Government recognizes this when she pays her diplomats and soldiers, working in Peru, high risk differential and danger pay. The war against terrorism alone has cost over 15,000 lives in eight years, according to President García.⁴ Among the 15,000 are a handful of Americans. The latest American victim was the wife of the mayor of a New Jersey city, who lost her life last year when the tourist train she was riding in plunged down a ravine as a result of a terrorist act. Another American victim, also in 1988, was a young agronomist working on a USAID project. He was shot point blank in the back of the head as he lay face down on the ground.

³MAJ DeBow and MAJ Vaughn interviews.

⁴"On Peru's Future: Alan García Pérez, Mario Vargas Llosa, Rolando Ames," World Policy Journal Y14 (Fall, 1988): 747.

To deploy U.S. troops in such a dangerous area, one of two conditions must exist. First, their mission must be of vital importance. Second, their security must be positively insurable. This paper has established, in the fourth chapter, that although Peru is important to U.S. strategy in the region, she is not vital to U.S. survival. Therefore, the U.S. will deploy troops to Peru only if their safety can be assured.

There are two ways one can achieve the requisite security to insure the safety of U.S. troops in Peru. First, the number of deploying troops can be limited. The less the number of troops, the easier the security provisions needed to protect them. Second, proper site selection can enhance safety and security. Some locations are easier to "sanitize." Others locations have minimal insurgent activities and influence.

The questionnaire (Appendix B) sent out to people in a position to make a judgement on the issue asked about the above two measures. The consensus on the maximum force that can be protected seems to be fifty or less. As far as project location, most believe that there are places in Peru where the security of U.S. troops can be insured. At the same time, some observed that these places are not the ones most in need of humanitarian/civic action assistance. As one of the respondents eloquently put it, "Those areas where you can't go are the very areas you need to go." Also, some of the places suggested the most—Tumbes, Tacna, and Moquegua—are close enough to the borders with Ecuador and Chile to raise the question concerning regional conflicts.

Note that even those places suggested by the respondents as secure may not be beyond the operational reach of the SL. In a speech so sensitive that "until today, its contents have been revealed only before Peruvian intelligence services, the Department of State in Washington, and the White

House...." Colonel Javier Palacios, Chief of the Dirección Contra Terrorismo (DIRCOTE, a national coordinator of police actions against the insurgents), said that the SL has expanded so that they have divided Peru into four regional, semi-autonomous commands. The northern regional command has responsibility over Tumbes, Piura, La Libertad, Lambayeque, Ancash and Cajamarca. The central regional command has Huánaco, Cerro de Pasco, and Junín. A principal command has the departments of Ayacucho, Huancavelica, and Apurímac. The southern regional command has Cusco, Tacna, Puno, Moquegua, and Arequipa. A second principal command is in charge of metropolitan Lima.⁵ This apportions all the departments in the *Sierra* and the *Costa*, but conspicuously leaves out the departments in the *Selva*.

Conclusions

Past U.S. interventionism explains why many Latin American countries often view the U.S. with suspicion, and even with contempt. At the same time, history shows that Latin America looked to the U.S. for assistance. Some still do today. Ideo-political conflicts aside, the U.S. and Latin America developed mutually beneficial relationships that found their height during the era of the Good Neighbor Policy. Typically, however, U.S. policy toward her neighbors to the south consisted of long periods of inattention broken by short periods of intense interest. Lastly, because of geographic proximity and her politico-economic dominance of the region, the U.S. has national interests in most of Latin America.

Peru is one of those countries where the U.S. has important national interests and objectives. However, U.S. interests and objectives in Peru are not

⁵ "Nos dejan solos frente a Sendero," Diario La Republica, 19 March 1989, 13. My translation.

vital to U.S. survival. U.S. interests and objectives in Peru are:

- Promote regional stability by supporting democracy.
- Reduce the flow of drugs into the U.S. by assisting Peru in curtailing the cultivation of coca leaf and the production of cocaine.
- Limit Soviet influence in Peru.

Likewise, Peru has interests and objectives in her relations with the U.S. These are:

- Preserve national unity and democracy.
- Promote her international status and national sovereignty.

One of the "ways and means," recommended by the Commission on Integrated Long-Term Strategy, for achieving U.S. "ends," is the employment of U.S. Military Nation-Building Exercises to assist friendly developing nations. In examining the applicability of this recommendation in Peru, this paper concludes the following:

- A U.S. MNBE in Peru is "acceptable."
 - It is "desirable." It fosters all of the U.S. national interests and objectives in Peru, while promoting some of Peru's.
 - It is "feasible." All the significant risks to the interests of both nations, can be reduced or mitigated to acceptable levels.
- A U.S. MNBE in Peru will provide excellent training opportunities that are difficult to duplicate in CONUS.
- The safety and security of U.S. troops in Peru can be reasonably assured by minimizing the number of deploying troops and by locating the project site in an area easily "sanitized."

Recommendations

1. A plan to employ U.S. MNBE in Peru must be done within the context of a Country Team campaign plan. The Country Team must look at MNBEs as but one of several "ways and means" to achieve their "ends." Implicit in this process is the determination, by the Country Team, of what these "ends are."

2. A multi-year (three years minimum) MNBE program is key. In formulating the program, the following should be considered:

- Start small.
- Use initial years to verify Peru's resolve and ability to accomplish her end of the bargain.
- Use initial years to verify ideal number and location to insure safety of the climax year.
- Use a building blocks concept. Subsequent years should build upon accomplishment of preceding years.
- Bring in Peruvians as early in the planning process as possible. Give them a say on type, scope, and location. Consider ramifications of working combined, down to platoon level. Shoulder them with the security issue.

3. Integrated Country Team effort is key. MNBE is not solely a military effort. A USIS public relations campaign is indispensable. USAID assistance can spell the difference between success and failure.

4. Continue pursuing the equipment angle. An equipment grant can accomplish more in terms of achieving interests and objectives, without the difficulties associated with safety and security. A cheaper alternative, but one that can be just as effective as the equipment grant, is a rebuild/repair package to provide technical and financial assistance to rejuvenate construction equipment already on-hand.

This study does not pretend to have considered all pertinent questions on U.S. MNBES in Peru. In fact, it may have raised more questions than it answered. What this study hopes to have achieved, however, is to promote a better understanding of Latin America and Peru. Also, although the study concludes that a program of U.S. MNBES in Peru is acceptable, it hopefully raised the possibility that there are circumstances when even well-intentioned programs may not be advisable. Finally, this study hopefully provides a useful method through which national interests can be determined and considered in future decisions to employ the U.S. military in nation-building exercises in other countries.

APPENDIX A: LITERATURE REVIEW

The major topics discussed in this study are: a history of U.S.-Latin American relations, U.S. interests in Latin America, history of U.S.-Peruvian relations, U.S. and Peruvian national interests vis a vis their relations, and civic actions in the 1960's and military nation-building in the 1980s. Books and scholarly works about all but the last two topics, abound.

In writing about U.S.-Latin American relations, I relied mainly on five books and two doctoral dissertations. I used The Evolution of Our Latin-American Policy. A Documentary Record, edited by James W. Gantenbein, (New York: Octagon Books, 1971) extensively. Being a compilation of historical documents and pronouncements that affected U.S. policies toward Latin America from the Jefferson to the Truman Administration, the book was a convenient source of first hand information. I found Gantenbein's choice of documents judicious and impartial. Gantenbein, provides an unbiased tour through the evolutionary stages of U.S. policy toward Latin America.

In contrast, C. Neale Ronning's Intervention in Latin America is a compilation of works that are mostly anti-interventionist in nature. At the same time, it served the purposes of the paper well. First, Ronning presents a complete chronology of U.S. interventions in Latin America. Second, the articles accurately portray Latin American resentment towards interventionism.

Harold Molineu, in U.S. Policy Toward Latin America: From Regionalism to Globalism, examines the historical patterns of U.S. policies toward Latin America. Molineu concludes that the U.S. has had tremendous impact, both positive and negative, upon Latin America. However, because U.S. policies were often formulated solely based on U.S. interest, with little understanding of what Latin America is all about, the impact of U.S. policies were often negative in the long run. In a way, Molineu reinforces Ronning's views on interventionism—that it is bad and that it should be discontinued. However, whereas Ronning's book is an indictment of U.S. policy, Molineu's is prescriptive—it provides recommendations backed with pragmatic reasons.

From Gunboats to Diplomacy: New U.S. Policies for Latin America, edited by Richard Newfarmer, explores U.S. interests in Latin America, not so much from a historical point of view the way Molineu does, but using contemporary issues on a country-by-country basis. Newfarmer and his colleagues conclude that the U.S. has legitimate and economic interests in the region. At the same time, they recommend an economic approach over a military approach in the promotion of these interests.

Samuel L. Baily, in The United States and the Development of South America, 1945-1975, concedes that past relations between the U.S. and South

America has been one of superior to inferior. However, he asserts that the conflict that has arisen from this relation has not been a result of failures in U.S. policy. Rather, the situation has been a product of a very successful U.S. policy to establish and maintain an "empire" in South America. Baily further suggests that the policy will lead to increasingly violent conflict, as South America seeks development. Lastly, Baily suggests that the one way to avoid violent change is for the U.S. to divest herself of all interests in Latin America, save those that she would normally have with any other country, so that Latin American countries can "do their own thing."

Abraham Lowenthal's Partners in Conflict uses a different approach from Baily. However, he arrives at the same conclusion. Lowenthal asserts that U.S. policy toward Latin America has failed because she continues to operate the way she did after WW II, even when conditions in the region have profoundly changed in the past twenty five years. The U.S. continues to have policies "grounded in insecurity and ultimately aimed at preserving dominance," when she should instead be looking at Latin American countries as equal partners in solving shared conflicts.

Two references I used are doctoral dissertations by Marvin G. Stottlemire and John Vickrey Van Cleve. Both looked at military assistance as a dimension of U.S. foreign policy toward Latin America. Stottlemire examined the different factors that went into the decision of who gets what assistance and how much. He concluded that although there is indeed a pattern involved in the allocation of military assistance, "imperialism" does not play a part in it. Van Cleve looked at what motivated military assistance from 1945 to 1965. He concluded that political objectives, rather than military objectives, were behind U.S. military assistance toward Latin America. He further asserted that although military assistance did increase U.S. influence in the region, it also tended to fuel nationalistic feelings which impelled the less developed nations to rebel against the U.S.

Civic action was the form of choice when it came to military assistance towards Latin America in the 1960's. The main sources I used on civic action were Internal Security and Military Power: Counterinsurgency and Civic Action in Latin America, by Willard F. Barber and C. Neale Ronning, and Peaceful Conflict: The Non-Military use of the Military by Edward B. Glick. Barber and Ronning try to look beyond the "do-goodism" that pepper the rhetoric on civic action. What they find is a situation fraught with disadvantages, as much as advantages, that puts doubt over the utility of civic action as an instrument of economic progress. Glick, through historical analysis, concludes that not only

should the military be involved with civic action, it should also be involved in nation-building.

Books on U.S.-Peruvian relations and national interests are less abundant. Nonetheless, there are sufficient sources to be able to piece together a good picture of past and present relations and interest. Peru: A Country Study, edited by Richard F. Nyrop, is an excellent general source of information on Peru, current as of 1980. Peru: A short History, by David P. Werlich provides an excellent in-depth history of Peru, with emphasis on the events in the 20th Century. Like Nyrop's book, Werlich's is also dated, being current only up to the mid to late 1970s.

One of the events in 20th Century Peru that attracted a lot of analytical work, is the so called "revolution from above." David Scott Palmer, in Peru: The Authoritarian Tradition, looks at Peru's history in search of the reason why the unique revolution was possible in Peru, and not anywhere else in Latin America. Post-Revolutionary Peru: The Politics of Transformation, edited by Stephen M. Gorman looks at the profound changes instituted by the revolution and how these changes will affect the future of Peru. The Peruvian Experiment Reconsidered, edited by Cynthia McIntock and Abraham Lowenthal, asserts that the revolution's changes are not as profound as originally thought.

On the subject of Peru's national interests, the two authors I relied on mainly were Raúl P. Saba, and Eduardo Ferrero Costa. Saba's Political Development and Democracy in Peru asserts that Garcia's present actions are consistent with the reformist and democratic trends that started with Belaúnde in the 1960s, and continued by the *docenio* through the 1970s. Ferrero Costa, in his article "Peruvian Foreign Policy: Current Trends, Constraints and Opportunities," provides a succinct, yet detailed analysis on the issues that affect Peru's contemporary foreign policy.

Not much has been written about contemporary U.S. interests in Peru or the nation-building activities of the U.S. military (outside of the military review and its application in LIC). The contribution of this thesis is therefore in these areas. Hopefully, this paper provides a meaningful analysis of U.S. interests in Peru, and how these interests will be affected by U.S. military nation-building exercises.

APPENDIX B: QUESTIONNAIRE ANALYSIS

Shown in Annex 1 to this appendix is the questionnaire sent out to gather data for the thesis. The objective of the questionnaire is two fold: first, to validate the information about U.S. and Peruvian national interests contained in literature with the perceptions of the U.S. officials tasked to pursue U.S. interests in Peru; and second, to obtain current information on the desirability and feasibility of a U.S. military national development program in Peru.

The response to the questionnaire, in terms of number, was disappointing. Of twenty five questionnaires mailed out, only seven responses were received. Specially disappointing is the lack of response from the civilian members of the U.S. Country Team in Peru. Nonetheless, in aggregate, the responses received do provide invaluable, if not statistically significant, data.

The following is an analysis of the survey results:

Part I: Personal Data

- Three respondents are members of the U.S. Country Team in Peru, two work with U.S. Southern Command in Panama and two are faculty members at the U.S. Army Command and General Staff College.
- One respondent is a civilian member of the Country Team, five are U.S. Army officers, and one is a U.S. Air Force officer.
- Four of the respondents have at least a professional proficiency in Spanish (3, 3 in terms of the Foreign Service Institute rating system), two have intermediate skills (2,2), while one is a beginner.
- All respondents have worked in Latin America. The most working experience in Latin America is over ten years; the least experience is a year and a half. The average experience among the respondents is five years.
- Five of the respondents have worked or are working in Peru. The most experienced worked in Peru for 41 months. Among the five who worked or are working in Peru, the average is 25+ months of experience in Peru. Of the five, all have travelled within Peru, outside of Lima.
- The average age among the respondents is 44.

Part II and Part III: Part II and Part III were primarily intended to focus the respondents on National interests and objectives before answering Part IV. It was not intended to provide data for further statistical analysis. However, despite the original intent and the fact that the number of respondents is not statistically significant, it may still be of some interest to do some descriptive statistical analysis on the sample. Note that the column titled "Interests" categorizes each question as pertaining to ideo-political (IP), security (Sec), socio-humanitarian (Soc) or economic (Eco). Other pertinent abbreviations are:

Min – Minimum answer given.

Max – Maximum answer given.

Median – A point on the response scale below which half of the responses fall.

Mean – Arithmetic Average of responses.

σ_e – The standard error of the mean. It is equal to the standard deviation divided by the square root of the population sample. It is a measure of how accurate the sample distribution is compared to the true population distribution.

Question	Official Policy					What it should be					Interest
	Min	Max	Median	Mean	σ_e	Min	Max	Median	Mean	σ_e	
a	3	5	3.5	3.7	0.33	2	5	3	3.4	0.37	Sec
b	2	3	3	2.7	0.21	1	3	2	2.1	0.34	Sec
c	2	5	4	3.8	0.54	1	4	2	2.4	0.37	Soc
d	1	4	3	2.8	0.48	1	4	3	2.6	0.43	Sec
e	1	5	1.5	2	0.63	1	5	3	2.7	0.47	IP
f	1	1	1	1	0.0	1	4	1	1.4	0.43	Soc
g	2	3	3	2.7	.21	1	3	1	1.6	0.30	Sec
h	3	5	3	3.3	0.33	2	4	3	3	0.22	Eco
i	1	3	2	2	0.37	1	3	2	2	0.31	Sec
j	3	5	3	3.5	0.34	1	2	1	1.3	0.18	IP, Sec
k	1	3	1	1.5	0.34	1	3	1	1.7	0.36	IP
l	3	5	4	4	0.37	1	3	1	1.6	0.30	Soc
m	2	4	3.5	3.3	0.33	1	2	2	1.6	0.20	IP, Sec
n	4	5	4.5	4.5	0.22	3	5	3	3.6	0.30	Eco
o	3	5	4.5	4.3	0.33	3	5	4	4.3	0.29	Eco
p	5	5	5	5	0.00	3	5	4	4	0.31	IP
q	4	5	5	4.8	0.17	4	5	5	4.7	0.18	Eco
r	3	4	3.5	3.5	0.22	1	4	3	2.6	0.48	Eco
s	3	5	4	4.2	0.31	2	4	3	3.3	0.29	Soc
t	3	5	3.5	3.8	0.40	1	3	3	2.3	0.36	Soc
u	4	5	5	4.8	0.17	3	5	4	4.3	0.29	IP
v	2	4	3	3	0.26	1	4	3	2.9	0.34	Sec
w	3	4	3.5	3.5	0.22	1	3	2	1.7	0.29	Eco

Table 3: Descriptive Statistical Analysis of Part II Responses

Question	Official Policy					Average Peruvian					Interest
	Min	Max	Median	Mean	σ_e	Min	Max	Median	Mean	σ_e	
a	1	5	3	2.7	0.62	1	5	3	2.7	0.47	Eco
b	3	3	3	3	0.0	1	5	3	3.1	0.51	Soc
c	2	4	3	3	0.26	1	5	2	2.6	0.65	Soc
d	1	4	2	2.2	0.54	1	2	1	1.3	0.18	Eco
e	3	5	4	4.2	0.31	2	5	3	3.3	0.42	Sec
f	2	4	3	3.2	0.31	2	5	3	3.4	0.37	IP
g	1	4	3	2.5	0.50	1	3	2	2	0.38	Sec
h	1	4	3	2.8	0.40	1	3	2	2	0.38	Eco
i	2	5	5	4	0.63	2	5	4	3.7	0.62	Sec
j	2	4	3	3	0.37	2	5	3	3.3	0.42	Sec
k	1	3	3	2.5	0.34	2	5	4	3.4	0.53	IP
l	3	4	3	3.2	0.20	1	5	3	3	0.73	Ec,So
m	1	4	3	2.8	0.48	1	5	2	2.4	0.53	Sec
n	1	4	3.5	3.2	0.48	2	4	3	3.1	0.26	Eco
o	3	5	5	4.3	0.42	2	5	5	4.1	0.46	Sec
p	3	5	5	4.3	0.42	3	5	4	4.3	0.29	IP
q	3	5	3.5	3.7	0.33	3	5	4	3.9	0.34	Sec
r	1	5	2.5	2.8	0.60	1	3	3	2.4	0.30	Ec,Soc
s	1	5	3	2.8	0.54	1	4	2	2.1	0.40	Soc

Table 4: Descriptive Statistical Analysis of Part III Responses.

Assuming that the responses, whose standard error of the mean is 0.3 or less, are significant, the following inferences can be made:

- 21 of a possible 46 Part II responses (46%) are "significant." 6 of a possible 38 Part III responses (16%) are "significant." From this it can be said that the respondents agree more on what U.S. interests and policies are than they do on what Peruvian interests and policies are.

- If the "significant" means were grouped into interest types, the mean of the significant means, are as follows:

	<u>U.S. Official Policy</u>	<u>What It should be</u>
<u>Security</u>	3.2	2.5
<u>Socio-Humanitarian</u>	3.4	2.2
<u>Politico-Ideologic</u>	3.4	2.6
<u>Economic</u>	3.7	3.0

The observation that can be made from the above is that the respondents feel that U.S. policy ranks interests in the order of security, politico-ideologic, socio-humanitarian, and economic. However, the respondents think that the order of priority should be socio-humanitarian, security, politico-ideologic, and economic.

A similar analysis was not made with Part III responses since there were not sufficient "significant" means.

PART IV

This part of the questionnaire provided most of the usable information. The responses and their significance are as follows:

Question 1. Frequency of each choice being selected are: 3 for a, 1 for b, 3 for c, 6 for d, 1 for e. From these, it can be concluded that most of the respondents feel that a U.S. MNBE will improve military ties between the U.S. and Peru.

Question 2. Frequency of each choice being selected are: 0 for a, 1 for b, 1 for c, 2 for d, 1 for e, 0 for f, 0 for g, and 1 for h (write-in of 30). From these responses, it can be said that most of the respondents do not feel that any force with more than 100 can be protected adequately. In fact, three of seven do not think that a force of over 50 can be protected.

Question 3. Five of seven feel that risks to the security of a U.S. military unit can be mitigated through proper selection of project area. The locations suggested are: Tumbes (2x), Arequipa (2x), Tacna (2x), Monquegua (1x), Lima (1x), Amazonia (1x), Loreto (1x), and Madre de Dios (1x). One respondent qualified his negative answer by indicating that the places needing U.S. MNBE are the ones with the most security problem. The last indicated that the SL and MRTA seem to be able to strike at will and that the propaganda they would reap from being able to kill U.S. troops is sufficient incentive for both groups to go through the efforts to overcome any security measures.

Question 4. Aside from the obvious security risks, the respondents identified the following risks:

- Competition with the civilian sector will stunt their development.
- The expectation of the Government of Peru will be far greater than the U.S. capability to deliver.
- The Government of Peru will fail to provide resources once the project starts.
- Peruvians will perceive presence of U.S. military as a violation of national sovereignty.

- U.S. is tying her reputation to the ability of the Government of Peru to defeat the insurgents.

- Activity over a significant time period presents ample opportunity for anti-U.S. propaganda.

Some of the measures suggested to minimize the risks are :

- Mount a significant press/political campaign to neutralize anti-U.S. propaganda.

- Do only small, do-able projects.
- Keep U.S. presence small and low-profile.
- Approach the exercise as a train-the-trainer operations.
- Mission must be clear and specific from the very start.
- Do a U.S.-Peruvian combined effort.

Question 5. Four predict FREDEMO to win the next national election. One predicts either AP or PPC to win.

Question 6. Responses indicate that most of the respondents believe that a U.S. MNBE will foster significant U.S. interests. Most of the responses referred to U.S. effort related to fostering democracy, reducing drug traffic, advancing humanitarian value, fostering understanding of Peruvian ways and assisting counterinsurgency as those objectives that will be advanced.

Question 7. Indicates that there are concerns among the respondents vis a vis perceived interventionism and support for a military coup, the repercussions over a U.S. troop being killed, and expenditure of funds that the U.S. can better spend elsewhere.

Question 8. The responses given indicate that the Peruvian interests that may be fostered are: being able to claim having a close relations with the U.S. military despite outward appearance of conflict in other areas; development and accomplishment of humanitarian projects; and the return of the Peruvian engineers to nation-building.

Question 9. Peruvian interests will be degraded as a result of a perceived U.S. influence in the Peruvian government, a loss of independent nation-building capability, further split between the military and the civilian government, and bad press if a U.S. troop gets killed.

Question 10: The project nominated emphasized low-profile projects in a combined mode. The indication is that FC exercises will be too big. Some suggested IMET and MTT for construction. Again, small projects were suggested.

ANNEX A to Appendix B: Facsimile of Questionnaire (Page 1 of 6)

BACKGROUND INFORMATION

The results of this questionnaire will be used as a primary source in a thesis on whether it is advisable for the U.S. to do Military Nation-Building Exercises in Peru. The thesis is in partial fulfillment of the requirements for a Masters in Military Arts and Science at the U.S. Army Command and General Staff College.

For the purpose of this questionnaire, Military Nation-Building Exercise is defined as the use of military engineers to perform military civic action tasks. Military civic action is "the use of preponderantly indigenous military forces on projects useful to the local population at all levels in such fields as education, training, public works, agriculture, transportation, communications, health, sanitation, and others contributing to economic and social development..." (JCS Publication 1: DOD Dictionary of Military and Associated Terms, 1Jun87). The following are examples of Military Nation-Building Exercise that the U.S. has done in Latin America:

- Engineer Mobile Training Team to instruct Host Nation military engineers on construction methods (IMET).
- Civic action incidental to a non-engineering military exercise (JCS Exercises such as Fuerzas Unidas '87 in Peru).
- Deployment for Training of active engineer units (DFT).
- Deployment of reserve engineer units to perform road construction projects (Fuerzas Caminos '87 in Ecuador).
- Construction, equipment and training as part of Foreign Military Sales (FMS).
- Equipment and training as part of the Military Assistance Program (MAP).

If you require more space than provided to answer any of the questions, please use continuation sheets keyed to the question number.

It is vital that I receive your response back by 15 February 1988. Thank you for your assistance.

LEONARDO V. FLOR
Major, U.S. Army

ANNEX A to Appendix B: Facsimile of Questionnaire (Page 2 of 6)

Part I: Personal Data

1. What is your current position and for which U.S. Government agency do you work?
(Example: Analyst Political Section, US Embassy, Peru)
2. How many months have you worked in Peru? In Latin America?
3. How proficient are you in Spanish (Use FSI or DOD rating if known, otherwise use adjectives such as beginner, intermediate, native speaker, etc.)?
4. What Peruvian cities outside of Lima have you visited in 1988?
5. How old are you?

Part II: U.S. Interests in Peru.

Listed below are several possible policy objectives the U.S. may have in its relationship with Peru. In the respective columns, please rate each one, first according to what you think official U.S. objectives are, then according to what you think they should be. Please use the following rating system:

- 1 -- A very important U.S. policy objective in Peru.
- 3 -- A U.S. policy objective in Peru.
- 5 -- Not a U.S. objective in Peru.

<u>OFFICIAL</u> <u>POLICY</u>	<u>WHAT IT</u> <u>SHOULD BE</u>	<u>POSSIBLE OBJECTIVES</u>
Example: 4	1	Access to Guano.
a. _____	_____	Maintain access to strategic resources.
b. _____	_____	Foster a government friendly to the U.S.
c. _____	_____	Improve the quality of life in rural areas.
d. _____	_____	Foster government anti-communist stance.
e. _____	_____	Make military subservient to civilian rule.
f. _____	_____	Stop cocaine production.
g. _____	_____	Enhance peace and order.

ANNEX A to Appendix B: Facsimile of Questionnaire (Page 3 of 6)

Part II: Continued

	<u>OFFICIAL POLICY</u>	<u>WHAT IT SHOULD BE</u>	<u>POSSIBLE OBJECTIVES</u>
h.	_____	_____	Develop a market for U.S. products.
i.	_____	_____	Counter Soviet influence in the military.
j.	_____	_____	Train/equip military to fight insurgency.
k.	_____	_____	Foster popularly elected governments.
l.	_____	_____	Train/equip military for nation-building.
m.	_____	_____	Help defeat the insurgents.
n.	_____	_____	Develop and diversify the industry.
o.	_____	_____	Open market for the U.S. Arms Industry.
p.	_____	_____	Protect the Environment.
q.	_____	_____	Enhance ability to win conventional wars.
r.	_____	_____	Improve Peru's agricultural production.
s.	_____	_____	Improve the quality of life in the cities.
t.	_____	_____	Reduce poverty and malnutrition.
u.	_____	_____	Preserve archeological treasures.
v.	_____	_____	Stop the spread of communism.
w.	_____	_____	Resolve Peru's foreign debt problem.

PLEASE LIST ANY OTHER OBJECTIVES NOT LISTED ABOVE:

_____	_____	_____
_____	_____	_____
_____	_____	_____

ANNEX A to Appendix B: Facsimile of Questionnaire (Page 4 of 6)

Part III: Peruvian interests in its relationship with the U.S.

Listed below are possible objectives Peru has in its relationship with the U.S. Please rate each one, first according to expressed Peruvian Government policies, then according to how you perceive the average Peruvian you know feels. Use the following rating scale:

- 1 -- A very important Peruvian policy objective.
 3 -- A Peruvian policy objective.
 5 -- Not a Peruvian objective.

	<u>OFFICIAL POLICY</u>	<u>AVERAGE PERUVIAN</u>	<u>POSSIBLE OBJECTIVES</u>
a.	_____	_____	Gain access to resources/technology
b.	_____	_____	Help in stopping cocaine traffic.
c.	_____	_____	Improve the quality of life in rural areas
d.	_____	_____	Resolve Peru's foreign debt problem.
e.	_____	_____	Stop the spread of communism.
f.	_____	_____	Preserve archeological treasures.
g.	_____	_____	Enhance peace and order.
h.	_____	_____	Establish market for Peruvian products.
i.	_____	_____	Reverse the Pacific War treaties.
j.	_____	_____	Make its Armed Forces stronger.
k.	_____	_____	Stop U.S. meddling in LATAM affairs.
l.	_____	_____	Get assistance in nation-building.
m.	_____	_____	Get help in defeating the insurgents.
n.	_____	_____	Develop and diversify industry.
o.	_____	_____	Gain access to U.S. Arms.
p.	_____	_____	Protect the Environment.
q.	_____	_____	Get U.S. to orient towards LATAM, not NATO
r.	_____	_____	Get help in improving agricultural sector.
s.	_____	_____	Reduce poverty and malnutrition

PLEASE LIST ANY OTHER OBJECTIVES NOT LISTED ABOVE:

_____	_____	_____
_____	_____	_____
_____	_____	_____

ANNEX A to Appendix B: Facsimile of Questionnaire (Page 5 of 6)

Part IV: US Military Nation-Building Exercise in Peru.

1. A U.S. military nation-building effort in Peru (choose one or more):
 - a. Will enhance US interests.
 - b. Will be detrimental to US interests.
 - c. Should not be attempted until after the 1990 Peruvian national elections.
 - d. Will improve military to military ties between the two nations.
 - e. Is actively being sought by the current Government of Peru.

2. The security of US military personnel involved in a nation-building effort in Peru will be impossible to insure with reasonable means if there are more than _____ personnel involved in the effort.
 - a. One.
 - b. Ten.
 - c. Fifty.
 - d. One hundred.
 - e. Two hundred.
 - f. Five hundred.
 - g. One thousand.
 - h. _____ (Indicate limit if not listed).

3. Can the security of US military personnel involved in a nation-building effort be mitigated by choosing certain areas of Peru to work in? If so, which province(s)/locations?

4. Aside from security risks, what other risks will the US be taking in doing military nation-building exercises in Peru; and how, if possible, can the US minimize these risks?

5. Should it gain power in 1990, which major political party is likely to allow the US to do military nation-building exercises in Peru (choose one or more):
 - a. IU
 - b. FREDEMO
 - c. APRA
 - d. Other (Please indicate: _____).

ANNEX A to Appendix B: Facsimile of Questionnaire (Page 6 of 6)

Part IV: Continued.

6. Which US interests/objectives, if any, would be enhanced by a US Military Nation-Building Exercise in Peru?

7. Which U.S. interests/objectives, if any, would be degraded by a US Military Nation-Building Exercise in Peru?

8. Which Peruvian interests/objectives, if any, would be enhanced by a US Military Nation-Building Exercise in Peru?

9. Which Peruvian interests/objectives, if any, would be degraded by a US Military Nation-Building Exercise in Peru?

10. What two projects would you nominate as objectives for a U.S. Military Nation-Building Exercise in Peru (Please refer to the Background Information sheet for a list of possible types of Military Nation-Building Exercise. Please be specific, e.g., a Fuentes Caminos exercise to build a road to Machu Pichu)?

APPENDIX C: GLOSSARY¹

¹Unless otherwise noted, the definitions used are from the U.S. Army, Field Circular 100-20: Low-Intensity Conflict (Fort Leavenworth, KS: U.S. Army Command and General Staff College, 1986) Glossary.

DEVELOPMENT ASSISTANCE (DA). Funds used for education and management training and some small business development. It also funds private sector and agricultural development and health and nutrition programs, primarily to increase the incomes of poor rural families to meet their basic needs.²

DEVELOPING NATION (also "less developed country" or LDC). One which is progressing beyond a traditional society and is experiencing the turbulent process of economic, social, military, political, and psychological change.

ECONOMIC SUPPORT FUND (ESF). Funds used to finance imports of commodities, capital, or technical assistance provided either on a grant or loan basis in accordance with terms of a bilateral agreement; counterpart funds thereby generated may be used as budgeting support. Most such funds are used to enable recipients to devote more of their resources to defense and security purposes than it otherwise could without serious economic or political consequences. In simpler terms, ESF advances U.S. economic interests by offering grant or loan economic assistance. These funds are used primarily to provide quick-disbursing balance of payments support to allow time for local economic and financial adjustments to take effect.³

FOREIGN ASSISTANCE. Ranges from the sale of military equipment to donations of food and medical supplies to aid survivors of natural and manmade disasters. US assistance may be categorized in terms of three major functions—development assistance, humanitarian assistance, and security assistance.

FOREIGN INTERNAL DEFENSE (FID). Participation by civilian and military agencies of a government in any action programs taken by another government to free and protect its society from subversion, lawlessness, and insurgency.

FOOD FOR PEACE (or PL-480 Fund). Provides food from US Department of Agriculture stockpiles to those nations that are too poor to feed all of their people adequately. The food provided alleviates hunger and malnutrition and improves health. One of the more successful U.S. programs, it also generates

²Elliot Abrams, "Prepared Statement given before the Foreign Operations Subcommittee of the House Appropriations Committee" (Congressional Information Service, H181-84.16, April 22, 1988), 15.

³Ibid.

local currency in some countries that is recycled to fund agricultural development, infrastructure improvements, rural education, and health programs.⁴

HOST NATION. A country in which representatives or organizations of another state are present because of government invitation or international agreement.

INSURGENCY. An organized movement aimed at the overthrow of a constituted government through the use of subversion and armed conflict. A condition resulting from a revolt or insurrection against a constituted government which falls short of civil war.

INTERNAL DEFENSE AND DEVELOPMENT (IDAD). The full range of measures taken by a nation to promote its growth and protect itself from subversion, lawlessness, and insurgency.

INTERNATIONAL MILITARY EDUCATION AND TRAINING (IMET). A grant-aid, low cost program that gives the U.S. extremely valuable channel of communication and influence with foreign military organizations. Education and training for the professionalization of military officers have long been considered to be the most cost-effective forms of security assistance.⁵

LOW INTENSITY CONFLICT (LIC).⁶ A limited political-military struggle, to achieve political, military, social, economic, and psychological objectives. It is often protracted and ranges from diplomatic, economic, and psychosocial pressures through terrorism to insurgent war. Low-intensity conflict is generally characterized by constraints on the geographic area, weaponry, tactics, and level of violence.

MILITARY ASSISTANCE PROGRAM (MAP). That portion of the US security assistance authorized by the Foreign Assistance Act of 1961, as amended, which provides defense articles and services to recipients on a nonreimbursable (grant) basis. (US forces may at times advise or engage in military civic actions in overseas areas.)⁷

⁴Ibid, 16.

⁵Ibid, 15.

⁶Although many in the State and DOD object to the term Low Intensity Conflict, it is the official term used in most, if not all, doctrinal manuals. Therefore, it is the term used in this paper.

⁷Department of Defense, JCS Pub 1: Dictionary of Military and Associated Terms (Washington, DC: U.S. Government Printing Office, 1987), 230.

MILITARY CIVIC ACTION. The use of preponderantly indigenous military forces on projects useful to the local population at all levels in such fields as education, training, public works, agriculture, transportation, communications, health, sanitation and others contributing to economic and social development, which would also serve to improve the standing of the military forces with the population.

NATIONAL INTEREST (see National Objectives). National interests are a state's wants and needs. A state uses the term interest to signal its desire and intentions to other states.⁸

NATIONAL OBJECTIVES. Those fundamental aims, goals, or purposes of a nation—as opposed to the means for seeking these ends—toward which a policy is directed and efforts and resources of the nation are applied.⁹

NATION-BUILDING. Actions taken by the government of a nation to establish and maintain law and order; unite the population in support of common objectives; and develop effective political, economic and social institution. Military nation-building is the utilization of the Armed Forces to perform nation-building tasks.¹⁰ See "U.S. Military Nation-Building Exercise."

SECURITY ASSISTANCE. All activities of the United States Government carried out under the authority of the Foreign Assistance Act or Foreign Military Sales Act or related appropriations acts and other related authorities.

U.S. MILITARY NATION-BUILDING EXERCISE. A training exercise involving U.S. military engineer units, active or reserve component, constructing a feature of a nation's physical infrastructure. There are generally two types. Active component engineer units perform Deployment for Training exercises while

⁸"National Security: A Background Reading," P511: Joint and Combined Environments (Fort Leavenworth: U.S. Army Command and General Staff College, 1988), 20.

⁹Department of Defense, JCS Pub 1..., 244.

¹⁰Nation-building and Military Nation-building are not officially defined in any of the DOD doctrinal manuals although they are commonly used in official documents and other references. The definition shown is one employed by the Department of Joint and Combined Operations, U.S. Army Command and General Staff College. Raymond A. Moore, Jr., in "Toward a Definition of Military Nationbuilding," Military Review, July 1973, pp. 34-48, defines military nationbuilding as, "...that facet of the social interaction process of nationbuilding which is dependent upon the utilization, deployment and constructive leadership of the Armed Forces to achieve, maintain and develop a national identity usually finding expression in the politically autonomous entity of the nation-state."

Reserve component units participate in Annual Deployment for Training exercises called Blazing Trails or Fuertes Caminos. Civic action incident to military training exercises or to humanitarian relief efforts are not part of this category of exercises.¹¹

¹¹Not an official definition and should not be used beyond the exigencies of this paper.

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